

L - Transportation Cabinet

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Summary Totals

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	5,203,500	5,203,500	5,203,500	8,503,400	5,203,400	7,703,400	8,503,400	5,203,400	5,203,400
Restricted Funds	244,870,300	244,870,300	244,870,300	370,731,100	370,731,100	366,731,100	81,542,300	81,542,300	77,542,300
Federal Funds	871,791,800	871,791,800	871,791,800	692,652,400	695,652,400	697,652,400	715,547,900	715,547,900	715,547,900
Road Fund	1,144,840,900	1,144,840,900	1,144,840,900	1,158,600,900	1,168,481,800	1,162,618,900	1,177,937,400	1,202,818,300	1,187,955,400
Highway Bond	462,552,500	462,552,500	462,552,500	75,000,000	740,000,000	350,000,000			
Regular Total Funds	2,729,259,000	2,729,259,000	2,729,259,000	2,305,487,800	2,980,068,700	2,584,705,800	1,983,531,000	2,005,111,900	1,986,249,000
Use of Continuing	1,894,300	1,894,300	1,894,300						
TOTAL FUNDS	2,731,153,300	2,731,153,300	2,731,153,300	2,305,487,800	2,980,068,700	2,584,705,800	1,983,531,000	2,005,111,900	1,986,249,000

II. EXPENDITURE CATEGORY

Personnel Costs	377,446,500	377,446,500	377,446,500	395,708,900	395,708,900	395,708,900	405,957,000	405,957,000	405,957,000
Operating Expenses	237,537,500	237,537,500	237,537,500	259,013,400	262,013,400	264,013,400	261,381,700	261,381,700	261,381,700
Grants, Loans, Benefits	203,656,700	203,656,700	203,656,700	192,785,900	156,227,900	176,079,900	187,019,900	164,675,900	174,797,900
Debt Service	182,533,000	182,533,000	182,533,000	203,837,700	238,291,700	220,133,700	212,917,400	274,841,400	238,525,400
Capital Outlay	1,378,500	1,378,500	1,378,500	5,264,200	5,264,200	5,264,200	5,465,600	5,465,600	5,465,600
Construction	1,728,601,100	1,728,601,100	1,728,601,100	1,248,877,700	1,922,562,600	1,523,505,700	910,789,400	892,790,300	900,121,400
TOTAL EXPENDITURES	2,731,153,300	2,731,153,300	2,731,153,300	2,305,487,800	2,980,068,700	2,584,705,800	1,983,531,000	2,005,111,900	1,986,249,000

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund	5,203,500	5,203,500	5,203,500	5,203,400	5,203,400	5,203,400	5,203,400	5,203,400	5,203,400
Restricted Funds	244,870,300	244,870,300	244,870,300	74,430,400	74,430,400	70,430,400	74,529,700	74,529,700	70,529,700
Federal Funds	841,705,900	841,705,900	841,705,900	620,904,200	620,904,200	622,904,200	623,850,700	623,850,700	623,850,700
Road Fund	1,132,035,200	1,132,035,200	1,132,035,200	1,123,674,200	1,095,601,100	1,103,896,200	1,132,192,900	1,091,649,800	1,109,102,900
Highway Bond	462,552,500	462,552,500	462,552,500						
Regular Total Funds	2,686,367,400	2,686,367,400	2,686,367,400	1,824,212,200	1,796,139,100	1,802,434,200	1,835,776,700	1,795,233,600	1,808,686,700
Use of Continuing	1,894,300	1,894,300	1,894,300						
TOTAL BASE LEVEL	2,688,261,700	2,688,261,700	2,688,261,700	1,824,212,200	1,796,139,100	1,802,434,200	1,835,776,700	1,795,233,600	1,808,686,700

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund				3,300,000		2,500,000	3,300,000		
Restricted Funds				296,300,700	296,300,700	296,300,700	7,012,600	7,012,600	7,012,600
Federal Funds	30,085,900	30,085,900	30,085,900	71,748,200	74,748,200	74,748,200	91,697,200	91,697,200	91,697,200
Road Fund	12,805,700	12,805,700	12,805,700	34,926,700	72,880,700	58,722,700	45,744,500	111,168,500	78,852,500
Highway Bond				75,000,000	740,000,000	350,000,000			
TOTAL ADDITIONAL	42,891,600	42,891,600	42,891,600	481,275,600	1,183,929,600	782,271,600	147,754,300	209,878,300	177,562,300

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Capital Budget

Summary Totals

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Federal Funds				640,000	640,000	640,000			
Road Fund				9,035,000	9,035,000	9,035,000	6,795,000	6,795,000	6,795,000
TOTAL CAPITAL				9,675,000	9,675,000	9,675,000	6,795,000	6,795,000	6,795,000

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**FREE CONFERENCE COMMITTEE REPORT
2006 GENERAL ASSEMBLY - OPERATING BUDGET SUMMARY
ROAD FUND SUMMARY**

**Governmental Branch: Executive
Cabinet/Function: Transportation**

**Agency: Cabinet Summary
Unit:**

	FY 2005-2006			FY 2006-2007			FY 2007-2008		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<u>RESOURCES</u>									
Beginning Undesignated Balance	28,578,100	28,578,100	28,578,100	1,493,500	1,493,500	1,493,500	0	0	0
Revenue Receipts/Estimates	1,169,703,400	1,169,703,400	1,169,703,400	1,223,125,400	1,223,125,400	1,223,125,400	1,239,614,400	1,239,614,400	1,239,614,400
Road Fund Revenue Initiative				559,900	559,900	15,559,900	1,317,500	16,317,500	22,317,500
Spenddown of Continuing Appropriation	(28,578,100)	(28,578,100)	(28,578,100)						
TOTAL RESOURCES	1,169,703,400	1,169,703,400	1,169,703,400	1,225,178,800	1,225,178,800	1,240,178,800	1,240,931,900	1,255,931,900	1,261,931,900
<u>APPROPRIATIONS/EXPENDITURES</u>									
TRANSPORTATION CABINET									
General Administration & Support	66,530,000	66,530,000	66,530,000	69,217,100	69,217,100	69,217,100	70,072,400	70,072,400	70,072,400
Aviation	0	0	0	0	0	4,000,000	0	0	4,000,000
Revenue Sharing	240,939,000	240,939,000	240,939,000	257,792,100	224,534,100	241,886,100	253,198,700	234,154,700	244,276,700
Highways	625,672,600	625,672,600	625,672,600	667,781,400	676,466,300	667,409,400	680,861,200	662,862,100	670,193,200
Vehicle Regulation	16,280,300	16,280,300	16,280,300	17,396,100	17,396,100	17,396,100	18,269,900	18,269,900	18,269,900
Debt Service	166,840,900	166,840,900	166,840,900	146,414,200	180,868,200	162,710,200	155,535,200	217,459,200	181,143,200
Capital Budget	4,248,000	4,248,000	4,248,000	9,035,000	9,035,000	9,035,000	6,795,000	6,795,000	6,795,000
TOTAL-TRANSPORTATION	1,120,510,800	1,120,510,800	1,120,510,800	1,167,635,900	1,177,516,800	1,171,653,900	1,184,732,400	1,209,613,300	1,194,750,400
DEPT. OF TREASURY	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
JUSTICE CABINET									
Kentucky State Police	29,769,100	29,769,100	29,769,100	40,000,000	29,769,100	50,000,000	40,000,000	29,769,100	50,000,000
Motor Vehicle Enforcement	12,999,000	12,999,000	12,999,000	13,974,900	13,974,900	13,974,900	13,881,500	13,881,500	13,881,500
FINANCE & ADMINISTRATION CABINET									
Debt Service	2,505,000	2,505,000	2,505,000	0	0	0	0	0	0
Department of Administration	283,000	283,000	283,000	300,000	300,000	400,000	300,000	300,000	400,000
Department of Revenue	1,418,000	1,418,000	1,418,000	1,768,000	1,768,000	2,000,000	1,768,000	1,768,000	2,000,000
Department of Revenue - Capital				1,250,000	1,250,000	1,250,000			0
Comm. Office of Technology	125,000	125,000	125,000	0	0	0	0	0	0
GOV.'S OFF. OF HOMELAND SECURITY	350,000	350,000	350,000	0	350,000	350,000	0	350,000	350,000
ENVIRONMENTAL & PUB. PROT. CAB.	0	0	0	0	0	300,000	0	0	300,000
TOTAL APPROP/EXPENDITURES	1,168,209,900	1,168,209,900	1,168,209,900	1,225,178,800	1,225,178,800	1,240,178,800	1,240,931,900	1,255,931,900	1,261,931,900
UNDESIGNATED BALANCE	1,493,500	1,493,500	1,493,500	0	0	0	0	0	0

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

General Administration and Support

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
2	NEW	General Administration and Support - Property and Supply									
ABRC35K0017			Provide funds to support operating expenditures related to the purchase and operation of the new ARCHIBUS property inventory system.								
Road Fund						350,000	350,000	350,000	350,000	350,000	350,000
Project Total						350,000	350,000	350,000	350,000	350,000	350,000
3	GB	General Administration and Support - Secretary									
ABRC35K0006			Provide funds to support personnel expenditures related to the Secretary program, including five (5) personnel positions (5 vacant).								
Road Fund						275,000	275,000	275,000	300,000	300,000	300,000
Project Total						275,000	275,000	275,000	300,000	300,000	300,000
4	GB	General Administration and Support - Budget and Fiscal Management									
ABRC35K0010			Provide funds to support personnel expenditures related to the Budget and Fiscal Management program, including eight (8) personnel positions (8 vacant).								
Road Fund						310,000	310,000	310,000	340,000	340,000	340,000
Project Total						310,000	310,000	310,000	340,000	340,000	340,000
5	GB	General Administration and Support - Legal Services									
ABRC35K0004			Provide funds to support personnel expenditures related to the Legal Services program, including eight (8) personnel positions (8 vacant).								
Road Fund						360,000	360,000	360,000	400,000	400,000	400,000
Project Total						360,000	360,000	360,000	400,000	400,000	400,000
6	GB	General Administration and Support - Transportation Operations Center									
ABRC35K0011			Provide funds to support personnel expenditures related to the Transportation Operations Center program, including two (2) personnel positions (2 vacant).								
Road Fund						140,000	140,000	140,000	150,000	150,000	150,000
Project Total						140,000	140,000	140,000	150,000	150,000	150,000
7	GB	General Administration and Support - Public Relations									
ABRC35K0009			Provide funds to support personnel expenditures related to the Public Relations program, including one (1) personnel position (1 vacant).								
Road Fund						35,000	35,000	35,000	35,000	35,000	35,000
Project Total						35,000	35,000	35,000	35,000	35,000	35,000

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

General Administration and Support

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
8	GB	General Administration and Support - Legislative and Intergovernmental Affairs								
ABRC35K0013		Provide funds to support personnel expenditures related to the Legislative and Intergovernmental Affairs program, including one (1) personnel position (1 vacant).								
Road Fund					100,000	100,000	100,000	105,000	105,000	105,000
Project Total					100,000	100,000	100,000	105,000	105,000	105,000
9	GB	General Administration and Support - Personnel Management								
ABRC35K0014		Provide funds to support personnel expenditures related to the Personnel Management program, including three (3) personnel positions (3 vacant).								
Road Fund					119,000	119,000	119,000	127,000	127,000	127,000
Project Total					119,000	119,000	119,000	127,000	127,000	127,000
10	GB	General Administration and Support - Property and Supply Services								
ABRC35K0015		Provide funds to support personnel expenditures related to Property and Supply Services program, including two personnel positions (2 filled).								
Road Fund					100,000	100,000	100,000	105,000	105,000	105,000
Project Total					100,000	100,000	100,000	105,000	105,000	105,000
11	GB	General Administration and Support - Toll Facilities								
ABRC35K0019		Provide funds to support personnel expenditures related to the Toll Facilities program, including 20 interim personnel positions (20 vacant).								
Road Fund					260,000	260,000	260,000	260,000	260,000	260,000
Project Total					260,000	260,000	260,000	260,000	260,000	260,000
12	GB	General Administration and Support - Commissioner								
ABRC35K0018		Provide funds to support personnel expenditures related to the Commissioner of Administrative Services, including two (2) personnel positions (2 filled).								
Road Fund					175,000	175,000	175,000	182,000	182,000	182,000
Project Total					175,000	175,000	175,000	182,000	182,000	182,000
13	GB	General Administration and Support - Purchases								
ABRC35K0021		Provide funds to support personnel expenditures related to the Purchases program, including one (1) personnel position (1 filled).								
Road Fund					64,000	64,000	64,000	69,000	69,000	69,000
Project Total					64,000	64,000	64,000	69,000	69,000	69,000

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

General Administration and Support

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
14	GB	General Administration and Support - Inspector General									
ABRC35K0012	Provide funds to support personnel expenditures related to the Inspector General program, including one (1) personnel position (1 vacant).										
Road Fund						70,000	70,000	70,000	72,000	72,000	72,000
Project Total						70,000	70,000	70,000	72,000	72,000	72,000
15	GB	General Administration and Support - Toll Facilities									
ABRC35K0020	Provide funds to support personnel expenditures related to the Toll Facilities program, including one (1) personnel position (1 vacant).										
Road Fund						25,000	25,000	25,000	27,000	27,000	27,000
Project Total						25,000	25,000	25,000	27,000	27,000	27,000
16	GB	General Administration and Support - Property and Supply Services									
ABRC35K0016	Provide funds to support operating expenditures related to rental copier upgrades.										
Road Fund						112,500	112,500	112,500	112,500	112,500	112,500
Project Total						112,500	112,500	112,500	112,500	112,500	112,500
TOTAL ADDITIONAL						2,714,300	2,714,300	2,714,300	2,853,300	2,853,300	2,853,300

**Fiscal Biennium 2006-2008
Budget Modification Report**

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General Administration and Support

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"Biennial Highway Construction Programs: The Secretary of the Transportation Cabinet is directed to report monthly to the Legislative Research Commission all activity, as prescribed by KRS 176.430, relating to all projects with open activity conducted by the Transportation Cabinet during the biennium including the year each project phase was enacted in a Six-Year Highway Plan. Pursuant to KRS 48.800(5), the Transportation Cabinet shall submit the electronic monthly report in a format prescribed by the Legislative Research Commission."

"Debt Service: Included in the above Road Fund appropriation is \$7,297,800 in fiscal year 2006-2007 and \$7,292,500 in fiscal year 2007-2008 for debt service on previously authorized bonds for the new Transportation Cabinet office building and parking structure."

"Adopt-A-Highway Litter Program: The Transportation Cabinet and Environmental and Public Protection Cabinet may receive, accept, and solicit grants, contributions of money, property, labor, or other things of value from any governmental agency, individual, nonprofit organization, or private business to be used for the Adopt-a-Highway Litter Program or other statewide litter programs. Any contribution of this nature shall be deemed to be a contribution to a state agency for a public purpose and shall be treated as Restricted Funds under KRS Chapter 45 and reported according to KRS Chapter 48, and shall not be subject to restrictions set forth under KRS Chapter 11A."

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, Transportation Cabinet, provides Road Fund resources of \$9,035,000 in fiscal year 2006-2007 and \$6,795,000 in fiscal year 2007-2008 and Federal Funds of \$640,000 in fiscal year 2006-2007 for capital projects.

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, Revenue, provides Road Fund resources of \$1,250,000 and

**Fiscal Biennium 2006-2008
Budget Modification Report**

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General Administration and Support

Federal Funds of \$1,250,000 in fiscal year 2006-2007 for the Motor Fuels Tax Automation capital project.

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House deletes a Part I, Operating Budget, language provision as follows:

"Biennial Highway Construction Programs: The Secretary of the Transportation Cabinet is directed to report monthly to the Legislative Research Commission all activity, as prescribed by KRS 176.430, relating to all projects with open activity conducted by the Transportation Cabinet during the biennium including the year each project phase was enacted in a Six-Year Highway Plan. Pursuant to KRS 48.800(5), the Transportation Cabinet shall submit the electronic monthly report in a format prescribed by the Legislative Research Commission."

The House adds a Part I, Operating Budget, language provision as follows:

"Biennial Highway Construction Programs: The Secretary of Transportation is directed to produce a single document that contains two separately identified sections, as follows:

Section 1 shall detail the enacted fiscal biennium 2006-2008 Biennial Highway Construction Program and Section 2 shall detail the Highway Preconstruction Program Plan for fiscal year 2006-2007 through fiscal year 2011-2012 as identified by the 2006 General Assembly. This document shall mirror in data type and format the fiscal year 2004-2010 Recommended Six-Year Highway Plan as submitted to the 2004 General Assembly. The document shall be published and distributed to members of the General Assembly and the public within 60 days of adjournment of the 2006 Regular Session of the General Assembly.

No executive authority shall expend, or otherwise commit in any manner, available fiscal biennium 2006-2008 Road Fund resources for a project designated as a State Project in the fiscal year 2006-2007 through fiscal year 2011-2012 Highway Preconstruction Program Plan. In the event that federally funded projects contained in the enacted fiscal biennium 2006-2008 Biennial Highway Construction Program are delayed due to unforeseen circumstances, or if additional federal funds are received in excess of the amounts contemplated in this Act, the Transportation Cabinet may advance projects from the Highway Preconstruction Program Plan only to the extent required to assure that the Commonwealth makes full use of all available federal funds.

The Secretary of the Transportation Cabinet is further directed to report monthly to the Legislative Research Commission all activity, as prescribed by KRS 176.430, relating to all projects with open activity conducted by the Transportation Cabinet during the

**Fiscal Biennium 2006-2008
Budget Modification Report**

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General Administration and Support

biennium including the year each project phase was enacted in a Six-Year Highway Plan. Pursuant to KRS 48.800(5), the Transportation Cabinet shall submit the electronic monthly report in a format prescribed by the Legislative Research Commission.

Notwithstanding KRS 176.440(2), any project additions or modifications that the 2006 General Assembly may make to the fiscal year 2006-2012 Recommended Six-Year Road Plan shall carry the same force of law as projects that were included in the fiscal year 2006-2012 Recommended Six-Year Road Plan as submitted by the Executive Branch."

The House adds a Part I, Operating Budget, language provision as follows:

"Six-Year Highway Plan Project Report: The Transportation Cabinet shall provide to the Interim Joint Committee on Appropriations and Revenue on a quarterly basis a status report of all projects contained in the Six-Year Highway Plan, including project expenditures and an approximation of the amount of work completed. Each change to cost estimate, schedule, or scope for all planned projects shall be highlighted or specifically identified in the report. The status reports shall be provided to the Interim Joint Committee on Appropriations and Revenue no later than ten business days after March 31, June 30, September 30, and December 31 of each year."

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate deletes a Part I, Operating Budget, language provision as follows:

"Biennial Highway Construction Programs: The Secretary of Transportation is directed to produce a single document that contains two separately identified sections, as follows:

Section 1 shall detail the enacted fiscal biennium 2006-2008 Biennial Highway Construction Program and Section 2 shall detail the Highway Preconstruction Program Plan for fiscal year 2006-2007 through fiscal year 2011-2012 as identified by the 2006 General Assembly. This document shall mirror in data type and format the fiscal year 2004-2010 Recommended Six-Year Highway Plan as submitted to the 2004 General Assembly. The document shall be published and distributed to members of the General Assembly and the public within 60 days of adjournment of the 2006 Regular Session of the General Assembly.

No executive authority shall expend, or otherwise commit in any manner, available fiscal biennium 2006-2008 Road Fund resources for a project designated as a State Project in the fiscal year 2006-2007 through fiscal year 2011-2012 Highway Preconstruction Program Plan. In the event that federally funded projects contained in the enacted fiscal biennium 2006-2008 Biennial Highway Construction Program are delayed due to unforeseen circumstances, or if additional federal funds are received in excess of

**Fiscal Biennium 2006-2008
Budget Modification Report**

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General Administration and Support

the amounts contemplated in this Act, the Transportation Cabinet may advance projects from the Highway Preconstruction Program Plan only to the extent required to assure that the Commonwealth makes full use of all available federal funds.

The Secretary of the Transportation Cabinet is further directed to report monthly to the Legislative Research Commission all activity, as prescribed by KRS 176.430, relating to all projects with open activity conducted by the Transportation Cabinet during the biennium including the year each project phase was enacted in a Six-Year Highway Plan. Pursuant to KRS 48.800(5), the Transportation Cabinet shall submit the electronic monthly report in a format prescribed by the Legislative Research Commission.

Notwithstanding KRS 176.440(2), any project additions or modifications that the 2006 General Assembly may make to the fiscal year 2006-2012 Recommended Six-Year Road Plan shall carry the same force of law as projects that were included in the fiscal year 2006-2012 Recommended Six-Year Road Plan as submitted by the Executive Branch."

The Senate adds a Part I, Operating Budget, language provision as follows:

"Biennial Highway Construction Programs: The Secretary of the Transportation Cabinet is directed to report quarterly to the Legislative Research Commission all activity, as prescribed by KRS 176.430, relating to all projects with open activity conducted by the Transportation Cabinet during the biennium including the year each project phase was enacted in a Six-Year Highway Plan. Pursuant to KRS 48.800(5), the Transportation Cabinet shall submit the electronic quarterly report in a format prescribed by the Legislative Research Commission."

The Senate deletes a Part I, Operating Budget, language provision as follows:

"Six-Year Highway Plan Project Report: The Transportation Cabinet shall provide to the Interim Joint Committee on Appropriations and Revenue on a quarterly basis a status report of all projects contained in the Six-Year Highway Plan, including project expenditures and an approximation of the amount of work completed. Each change to cost estimate, schedule, or scope for all planned projects shall be highlighted or specifically identified in the report. The status reports shall be provided to the Interim Joint Committee on Appropriations and Revenue no later than ten business days after March 31, June 30, September 30, and December 31 of each year."

CONFERENCE REPORT

The Conference concurs with the Branch with the following changes:

The Conference deletes a Part I, Operating Budget, language provision as follows:

**Fiscal Biennium 2006-2008
Budget Modification Report**

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General Administration and Support

"Biennial Highway Construction Programs: The Secretary of the Transportation Cabinet is directed to report monthly to the Legislative Research Commission all activity, as prescribed by KRS 176.430, relating to all projects with open activity conducted by the Transportation Cabinet during the biennium including the year each project phase was enacted in a Six-Year Highway Plan. Pursuant to KRS 48.800(5), the Transportation Cabinet shall submit the electronic monthly report in a format prescribed by the Legislative Research Commission."

The Conference adds a Part I, Operating Budget, language provision as follows:

"Biennial Highway Construction Programs: The Secretary of Transportation is directed to produce a single document that contains two separately identified sections, as follows:

Section 1 shall detail the enacted fiscal biennium 2006-2008 Biennial Highway Construction Program and Section 2 shall detail the Highway Preconstruction Program Plan for fiscal year 2006-2007 through fiscal year 2011-2012 as identified by the 2006 General Assembly. This document shall mirror in data type and format the fiscal year 2004-2010 Recommended Six-Year Highway Plan as submitted to the 2004 General Assembly. The document shall be published and distributed to members of the General Assembly and the public within 60 days of adjournment of the 2006 Regular Session of the General Assembly.

No executive authority shall expend, or otherwise commit in any manner, available fiscal biennium 2006-2008 Road Fund resources for a project designated as a State Project in the fiscal year 2006-2007 through fiscal year 2011-2012 Highway Preconstruction Program Plan. In the event that federally funded projects contained in the enacted fiscal biennium 2006-2008 Biennial Highway Construction Program are delayed due to unforeseen circumstances, or if additional federal funds are received in excess of the amounts contemplated in this Act, the Transportation Cabinet may advance projects from the Highway Preconstruction Program Plan only to the extent required to assure that the Commonwealth makes full use of all available federal funds.

The Secretary of the Transportation Cabinet is further directed to report quarterly to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Transportation all activity, as prescribed by KRS 176.430, relating to all projects with open activity conducted by the Transportation Cabinet during the biennium including the year each project phase was enacted in a Six-Year Highway Plan. Pursuant to KRS 48.800(5), the Transportation Cabinet shall submit the electronic quarterly report in a format prescribed by the Legislative Research Commission.

Notwithstanding KRS 176.440(2), any project additions or modifications that the 2006 General Assembly may make to the fiscal year 2006-2012 Recommended Six-Year Road Plan shall carry the same force of law as projects that were included in the fiscal year 2006-2012 Recommended Six-Year Road Plan as submitted by the Executive Branch."

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Capital Budget

General Administration and Support

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Federal Funds				640,000	640,000	640,000			
Road Fund				9,035,000	9,035,000	9,035,000	6,795,000	6,795,000	6,795,000
TOTAL CAPITAL				9,675,000	9,675,000	9,675,000	6,795,000	6,795,000	6,795,000
II. CAPITAL PROJECTS									
1	Building Renovations & Emergency Repairs								
PRJC35K1474									
Road Fund				500,000	500,000	500,000	500,000	500,000	500,000
Project Total				500,000	500,000	500,000	500,000	500,000	500,000
2	Painting & Roof Repair or Replacement								
PRJC35K1477									
Road Fund				150,000	150,000	150,000	150,000	150,000	150,000
Project Total				150,000	150,000	150,000	150,000	150,000	150,000
3	Construct or Repair Salt Storage Structures								
PRJC35K1472									
Road Fund				225,000	225,000	225,000	225,000	225,000	225,000
Project Total				225,000	225,000	225,000	225,000	225,000	225,000
4	Water and Wastewater Projects								
PRJC35K1476									
Road Fund				100,000	100,000	100,000	100,000	100,000	100,000
Project Total				100,000	100,000	100,000	100,000	100,000	100,000
5	Replace Overhead Doors and Emergency Repairs								
PRJC35K1475									
Road Fund				200,000	200,000	200,000	200,000	200,000	200,000
Project Total				200,000	200,000	200,000	200,000	200,000	200,000
6	Repair Loadometer & Rest Areas								
PRJC35K1479									
Road Fund				900,000	900,000	900,000	600,000	600,000	600,000
Project Total				900,000	900,000	900,000	600,000	600,000	600,000

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Capital Budget

General Administration and Support

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
7	Replace HVAC Flemingsburg District Office									
PRJC35K1487										
Road Fund					800,000	800,000	800,000			
Project Total					800,000	800,000	800,000			
8	HVAC Maintenance & Repair									
PRJC35K1485										
Road Fund					400,000	400,000	400,000	400,000	400,000	400,000
Project Total					400,000	400,000	400,000	400,000	400,000	400,000
9	Conduct Paving and Landscaping									
PRJC35K1478										
Road Fund					100,000	100,000	100,000	100,000	100,000	100,000
Project Total					100,000	100,000	100,000	100,000	100,000	100,000
10	Remove Hazardous Materials									
PRJC35K1473										
Road Fund					50,000	50,000	50,000	50,000	50,000	50,000
Project Total					50,000	50,000	50,000	50,000	50,000	50,000
11	Various Environmental Compliance									
PRJC35K1482										
Road Fund					1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Project Total					1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
12	Kentucky State Parks Road Maintenance									
PRJC35K1480										
Road Fund					1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Project Total					1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
13	Videologging Roadway Features System									
PRJC35K1481										
Federal Funds					640,000	640,000	640,000			
Road Fund					160,000	160,000	160,000			
Project Total					800,000	800,000	800,000			

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Capital Budget

General Administration and Support

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
14	Purchase Lab Equipment									
PRJC35K1486										
Road Fund					400,000	400,000	400,000			
Project Total					400,000	400,000	400,000			
15	Building Demolition & Disposal									
PRJC35K1483										
Road Fund					100,000	100,000	100,000			
Project Total					100,000	100,000	100,000			
16	Construct Various Maintenance Facilities - Secondary Structures									
PRJC35K1484										
Road Fund					150,000	150,000	150,000	150,000	150,000	150,000
Project Total					150,000	150,000	150,000	150,000	150,000	150,000
17	Construct Larue County Maintenance Facility & Salt Storage Structure									
PRJC35K1470										
Road Fund								910,000	910,000	910,000
Project Total								910,000	910,000	910,000
18	Construct Spencer County Maintenance Facility & Salt Storage Structure									
PRJC35K1471										
Road Fund								910,000	910,000	910,000
Project Total								910,000	910,000	910,000
19	Horse Park Roads									
PRJC35K1491										
Road Fund					2,300,000	2,300,000	2,300,000			
Project Total					2,300,000	2,300,000	2,300,000			
TOTAL CAPITAL					9,675,000	9,675,000	9,675,000	6,795,000	6,795,000	6,795,000

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Aviation

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	11,042,300	11,042,300	11,042,300	4,197,000	4,197,000	197,000	4,172,000	4,172,000	172,000
Federal Funds	629,700	629,700	629,700	15,000	15,000	15,000	15,000	15,000	15,000
Road Fund						4,000,000			4,000,000
Regular Total Funds	11,672,000	11,672,000	11,672,000	4,212,000	4,212,000	4,212,000	4,187,000	4,187,000	4,187,000
Use of Continuing									
TOTAL FUNDS	11,672,000	11,672,000	11,672,000	4,212,000	4,212,000	4,212,000	4,187,000	4,187,000	4,187,000
II. EXPENDITURE CATEGORY									
Personnel Costs	1,813,500	1,813,500	1,813,500	1,207,600	1,207,600	1,207,600	1,232,500	1,232,500	1,232,500
Operating Expenses	264,400	264,400	264,400	264,400	264,400	264,400	264,400	264,400	264,400
Grants, Loans, Benefits	9,360,100	9,360,100	9,360,100	2,740,000	2,740,000	2,740,000	2,690,100	2,690,100	2,690,100
Debt Service	234,000	234,000	234,000						
TOTAL EXPENDITURES	11,672,000	11,672,000	11,672,000	4,212,000	4,212,000	4,212,000	4,187,000	4,187,000	4,187,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	11,042,300	11,042,300	11,042,300	4,197,000	4,197,000	197,000	4,172,000	4,172,000	172,000
Federal Funds	629,700	629,700	629,700	15,000	15,000	15,000	15,000	15,000	15,000
Regular Total Funds	11,672,000	11,672,000	11,672,000	4,212,000	4,212,000	212,000	4,187,000	4,187,000	187,000
Use of Continuing									
TOTAL BASE LEVEL	11,672,000	11,672,000	11,672,000	4,212,000	4,212,000	212,000	4,187,000	4,187,000	187,000
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Road Fund						4,000,000			4,000,000
TOTAL ADDITIONAL						4,000,000			4,000,000
V. ADDITIONAL BUDGET ITEMS									
1 RRF Aviation - Air Development									
ABRC35B0005 Provides Road Fund resources for administrative and grant expenditures.									
Road Fund						4,000,000			4,000,000
Project Total						4,000,000			4,000,000
TOTAL ADDITIONAL						4,000,000			4,000,000

TRANSFERS TO THE GENERAL FUND

Aviation

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Aviation

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
TRANSFERS TO THE GENERAL FUND									
Kentucky Aviation Economic Development Fund				468,000	468,000	468,000	468,000	468,000	468,000
Kentucky Aviation Economic Development Fund						4,000,000			4,000,000
TOTAL				468,000	468,000	4,468,000	468,000	468,000	4,468,000

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Budget Modification Report**

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BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"Operational Costs: Notwithstanding KRS 183.525(5), the above Restricted Funds appropriation includes operational costs of the program in each fiscal year."

"Certified Air Carriers and Cap on Sales and Use Tax: The sales and use tax credit shall be an amount equal to the Kentucky sales and use tax otherwise applicable to aircraft fuel, including jet fuel, purchased by the certified air carrier for its storage, use, or other consumption during the annual period, less \$1,000,000. The \$1,000,000 amount shall be increased to reflect the Kentucky sales and use tax on aviation fuel attributable to operations of any other company purchased, merged, acquired, or otherwise combined with the certified air carrier after the base period. The amount of the increase shall be based on the Kentucky sales and use tax applicable to such aircraft fuel purchased during the 12-month period immediately preceding the purchase, merger, or other acquisition by or combination with the certified air carrier."

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Kentucky Aviation Economic Development Fund, Restricted Funds of \$468,000 in fiscal year 2006-2007 and \$468,000 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes the following language provision:

"Notwithstanding KRS 183.525(5), these funds transfers to the General Fund support the General Fund debt service on the bonds sold as appropriated by 2005 Ky. Acts ch. 173, Part II, Capital Projects Budget, C., 1., 002."

HOUSE REPORT

The House concurs with the Branch with the following changes:

**Fiscal Biennium 2006-2008
Budget Modification Report**

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The House adds Part I, Operating Budget, language provisions as follows:

"Aviation Projects: The Transportation Cabinet, Aviation Development Program shall prioritize and fund the following airport projects from appropriated Road Fund resources in the designated fiscal year as included in the 2006-2012 Six Year-Aviation Plan:

(a)	Bardstown-Nelson County Airport	\$1,200,000
(b)	Cynthiana-Harrison County Airport	\$500,000
(c)	Fleming-Mason Airport	\$2,000,000
(d)	Muhlenberg County Airport	\$1,000,000
(e)	Ohio County Airport	\$1,000,000
(f)	Big Sandy Regional Airport	\$2,500,000
(g)	Leitchfield-Grayson County Airport	\$1,000,000
(h)	Madison Airport	\$800,000
(i)	Lebanon-Springfield Airport	\$1,000,000
(j)	Tompkinsville-Monroe County Airport	\$1,000,000
(k)	Danville-Boyle County Airport	\$2,000,000
(l)	Muhlenberg County Airport	\$2,000,000
(m)	Henderson City County Airport	\$1,000,000
(n)	Russell County Airport	\$1,500,000
(o)	Powell County Airport	\$1,000,000
(p)	Ohio County Airport	\$1,500,000
(q)	Russellville-Logan County Airport	\$2,000,000
(r)	Falmouth-Pendleton County Airport	\$1,000,000"

"Six-Year Aviation Plan Project Report: The Transportation Cabinet shall provide to the Interim Joint Committee on Appropriations and Revenue on a quarterly basis a status report of all projects contained in the Six-Year Aviation Plan, including project expenditures and an approximation of the amount of work completed. Each change to cost estimate, schedule, or scope for all planned projects shall be highlighted or specifically identified in the report. The status reports shall be provided no later than ten business days after March 31, June 30, September 30, and December 31 of each year."

"Capital City Airport: No appropriations for the Aviation budget unit or the Military Affairs budget unit shall be utilized for the

**Fiscal Biennium 2006-2008
Budget Modification Report**

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purpose of studying, planning, or construction of additional runways for or expansion of the Capital City Airport."

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate deletes Part I, Operating Budget, language provisions as follows:

"Aviation Projects: The Transportation Cabinet, Aviation Development Program shall prioritize and fund the following airport projects from appropriated Road Fund resources in the designated fiscal year as included in the 2006-2012 Six-Year Aviation Plan:

(a)	Bardstown-Nelson County Airport	\$1,200,000
(b)	Cynthiana-Harrison County Airport	\$500,000
(c)	Fleming-Mason Airport	\$2,000,000
(d)	Muhlenberg County Airport	\$1,000,000
(e)	Ohio County Airport	\$1,000,000
(f)	Big Sandy Regional Airport	\$2,500,000
(g)	Leitchfield-Grayson County Airport	\$1,000,000
(h)	Madison Airport	\$800,000
(i)	Lebanon-Springfield Airport	\$1,000,000
(j)	Tompkinsville-Monroe County Airport	\$1,000,000
(k)	Danville-Boyle County Airport	\$2,000,000
(l)	Muhlenberg County Airport	\$2,000,000
(m)	Henderson City County Airport	\$1,000,000
(n)	Russell County Airport	\$1,500,000
(o)	Powell County Airport	\$1,000,000
(p)	Ohio County Airport	\$1,500,000
(q)	Russellville-Logan County Airport	\$2,000,000
(r)	Falmouth-Pendleton County Airport	\$1,000,000"

"Six-Year Aviation Plan Project Report: The Transportation Cabinet shall provide to the Interim Joint Committee on Appropriations and Revenue on a quarterly basis a status report of all projects contained in the Six-Year Aviation Plan, including project expenditures and an approximation of the amount of work completed. Each change to cost estimate, schedule, or scope for all

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planned projects shall be highlighted or specifically identified in the report. The status reports shall be provided no later than ten business days after March 31, June 30, September 30, and December 31 of each year."

"Capital City Airport: No appropriations for the Aviation budget unit or the Military Affairs budget unit shall be utilized for the purpose of studying, planning, or construction of additional runways for or expansion of the Capital City Airport."

CONFERENCE REPORT

The Conference concurs with the Branch with the following changes:

The Conference deletes a Part I, Operating Budget, language provision as follows:

"Certified Air Carriers and Cap on Sales and Use Tax: The sales and use tax credit shall be an amount equal to the Kentucky sales and use tax otherwise applicable to aircraft fuel, including jet fuel, purchased by the certified air carrier for its storage, use, or other consumption during the annual period, less \$1,000,000. The \$1,000,000 amount shall be increased to reflect the Kentucky sales and use tax on aviation fuel attributable to operations of any other company purchased, merged, acquired, or otherwise combined with the certified air carrier after the base period. The amount of the increase shall be based on the Kentucky sales and use tax applicable to such aircraft fuel purchased during the 12-month period immediately preceding the purchase, merger, or other acquisition by or combination with the certified air carrier."

The Conference adds Part I, Operating Budget, language provisions as follows:

"Aviation Projects: The Transportation Cabinet, Aviation Development Program shall prioritize and fund the following airport projects from appropriated Road Fund resources in the designated fiscal year as included in the 2006-2012 Six-Year Aviation Plan:

- | | | |
|-----|------------------------------------|-------------|
| (a) | Bardstown-Nelson County Airport | \$1,200,000 |
| (b) | Cynthiana-Harrison County Airport | \$500,000 |
| (c) | Fleming-Mason Airport | \$2,000,000 |
| (d) | Muhlenberg County Airport | \$1,000,000 |
| (e) | Ohio County Airport | \$1,000,000 |
| (f) | Big Sandy Regional Airport | \$2,500,000 |
| (g) | Leitchfield-Grayson County Airport | \$1,000,000 |
| (h) | Madison Airport | \$800,000 |

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(i)	Lebanon-Springfield Airport	\$1,000,000
(j)	Tompkinsville-Monroe County Airport	\$1,000,000
(k)	Danville-Boyle County Airport	\$2,000,000
(l)	Muhlenberg County Airport	\$2,000,000
(m)	Henderson City County Airport	\$1,000,000
(n)	Russell County Airport	\$1,500,000
(o)	Powell County Airport	\$1,000,000
(p)	Ohio County Airport	\$1,500,000
(q)	Russellville-Logan County Airport	\$2,000,000
(r)	Falmouth-Pendleton County Airport	\$1,000,000"

"Capital City Airport: No appropriations for the Aviation budget unit or the Military Affairs budget unit shall be utilized for the purpose of studying, planning, or construction of additional runways for, or expansion of, the Capital City Airport."

"Use of Road Fund Resources: The Cabinet may utilize an amount not to exceed \$10,000,000 of its annual Road Fund appropriations for the Department of Aviation, including but not limited to providing the above authorized financial aid to governmental units and local air boards for the development, construction, reconstruction, maintenance, and repair of airport runways, aprons, and taxiways at public airports and public use airports as defined in KRS 183.011(20) and (21)."

"Aviation Plan Project Report: The Secretary of the Transportation Cabinet is directed to report quarterly to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Transportation all activity relating to all aviation projects with open activity conducted by the Transportation Cabinet during the biennium including the year each project phase was enacted in a Six-Year Aviation Plan. The Transportation Cabinet shall submit the electronic quarterly report in a format prescribed by the Legislative Research Commission."

The Conference amends Part V, Funds Transfer, to include, from the Kentucky Aviation Economic Development Fund, Restricted Funds of \$4,000,000 in fiscal year 2006-2007 and \$4,000,000 in fiscal year 2007-2008.

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Debt Service

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Road Fund	166,840,900	166,840,900	166,840,900	146,414,200	180,868,200	162,710,200	155,535,200	217,459,200	181,143,200
Regular Total Funds	166,840,900	166,840,900	166,840,900	146,414,200	180,868,200	162,710,200	155,535,200	217,459,200	181,143,200
Use of Continuing									
TOTAL FUNDS	166,840,900	166,840,900	166,840,900	146,414,200	180,868,200	162,710,200	155,535,200	217,459,200	181,143,200
II. EXPENDITURE CATEGORY									
Debt Service	166,840,900	166,840,900	166,840,900	146,414,200	180,868,200	162,710,200	155,535,200	217,459,200	181,143,200
TOTAL EXPENDITURES	166,840,900	166,840,900	166,840,900	146,414,200	180,868,200	162,710,200	155,535,200	217,459,200	181,143,200
III. BASE LEVEL BUDGET BY FUND SOURCE									
Road Fund	166,840,900	166,840,900	166,840,900	146,414,200	146,414,200	146,414,200	148,551,200	148,551,200	148,551,200
Regular Total Funds	166,840,900	166,840,900	166,840,900	146,414,200	146,414,200	146,414,200	148,551,200	148,551,200	148,551,200
Use of Continuing									
TOTAL BASE LEVEL	166,840,900	166,840,900	166,840,900	146,414,200	146,414,200	146,414,200	148,551,200	148,551,200	148,551,200
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Road Fund					34,454,000	16,296,000	6,984,000	68,908,000	32,592,000
TOTAL ADDITIONAL					34,454,000	16,296,000	6,984,000	68,908,000	32,592,000
V. ADDITIONAL BUDGET ITEMS									
1 NEW Debt Service									
ABRC35H0001	Provide Road Fund resources for the combined lease rental payments for the issuance of \$75 million in Economic Development Highway Bonds associated with the County Road Aid (\$50 million) and the Municipal Road Aid (\$25 million) programs.								
Road Fund							6,984,000		
Project Total							6,984,000		
2 NEW Debt Service									
ABRC35H0003	Provide for lease rental payments for issuance of \$740 million in Economic Development Highway Bonds associated with Economic Development Road Projects; CONFERENCE: funding level was reduced to reflect the issuance of \$350 million in Highway Bonds.								
Road Fund					34,454,000	16,296,000		68,908,000	32,592,000
Project Total					34,454,000	16,296,000		68,908,000	32,592,000
TOTAL ADDITIONAL					34,454,000	16,296,000	6,984,000	68,908,000	32,592,000

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Debt Service

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"Toll Road Lease-Rental Payments: Included in the above Road Fund appropriation is \$205,100 in fiscal year 2006-2007 and \$80,000 in fiscal year 2007-2008 for toll road lease-rental payments."

"Resource Recovery Road Lease-Rental Payments: Included in the above Road Fund appropriation is \$90,000 in fiscal year 2006-2007 and \$90,000 in fiscal year 2007-2008 for Resource Recovery Road lease-rental payments. The Secretary of the Transportation Cabinet shall use Road Fund resources to meet the lease-rental payments to the Kentucky Turnpike Authority for Resource Recovery Road projects in the amount certified by the Transportation Cabinet, pursuant to KRS 143.090. However, if Road Fund resources are not sufficient to meet lease-rental payments, the additional amount required to meet the obligation shall be transferred from the proceeds of the tax levied on the severance or processing of coal by KRS 143.020."

"Economic Development Road Lease-Rental Payments: Included in the above Road Fund appropriation is \$149,943,500 in fiscal year 2006-2007 and \$152,208,500 in fiscal year 2007-2008 for Economic Development Road lease-rental payments relating to projects financed by Economic Development Road Revenue Bonds previously authorized by the General Assembly and issued by the Kentucky Turnpike Authority."

"Economic Development Road Bond Debt Service: Included in the above Road Fund appropriation is \$6,984,000 in fiscal year 2007-2008 for Economic Development Road lease-rental payments to the Turnpike Authority of Kentucky relating to projects financed by \$75,000,000 in Economic Development Road Revenue Bonds hereby authorized by the General Assembly to be issued in fiscal year 2006-2007 for payment of the cost of the Economic Development Road Projects."

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Debt Service

"Excess Lease-Rental Payments: Any moneys not required to meet lease-rental payments or to meet the administrative costs of the Kentucky Turnpike Authority shall be transferred to the State Construction account."

"Debt Payment Acceleration Fund Account: Notwithstanding KRS 175.505, no portion of the revenues to the state Road Fund provided by the adjustments in KRS 138.220(2), excluding KRS 177.320 and 177.365, shall accrue to the Debt Payment Acceleration Fund account during the 2006-2008 fiscal biennium."

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House adds a Part I, Operating Budget, language provision as follows:

"Toll Road Termination: The tolls on the Audubon Parkway and the Natcher Parkway shall be terminated during the first year of the biennium when the lease-rental payments on the toll roads are fully paid."

The House deletes a Part I, Operating Budget, language provision as follows:

"Economic Development Road Lease-Rental Payments: Included in the above Road Fund appropriation is \$149,943,500 in fiscal year 2006-2007 and \$152,208,500 in fiscal year 2007-2008 for Economic Development Road lease-rental payments relating to projects financed by Economic Development Road Revenue Bonds previously authorized by the General Assembly and issued by the Kentucky Turnpike Authority."

The House adds a Part I, Operating Budget, language provision as follows:

"Economic Development Road Lease-Rental Payments: Included in the above Road Fund appropriation is \$146,119,100 in fiscal year 2006-2007 and \$148,381,200 in fiscal year 2007-2008 for Economic Development Road lease-rental payments relating to projects financed by Economic Development Road Revenue Bonds previously authorized by the General Assembly and issued by the Kentucky Turnpike Authority."

SENATE REPORT

The Senate concurs with the House with the following changes:

**Fiscal Biennium 2006-2008
Budget Modification Report**

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Debt Service

The Senate deletes a Part I, Operating Budget, language provision as follows:

"Toll Road Termination: The tolls on the Audubon Parkway and the Natcher Parkway shall be terminated during the first year of the biennium when the lease-rental payments on the toll roads are fully paid."

The Senate adds a Part I, Operating Budget, language provision as follows:

"Toll Road Termination: The tolls on the Audubon Parkway and the Natcher Parkway shall be terminated during the first year of the biennium when the lease-rental payments on the toll roads are fully paid as consistent with current policy."

The Senate deletes a Part I, Operating Budget, language provision as follows:

"Economic Development Road Bond Debt Service: Included in the above Road Fund appropriation is \$6,984,000 in fiscal year 2007-2008 for Economic Development Road lease-rental payments to the Turnpike Authority of Kentucky relating to projects financed by \$75,000,000 in Economic Development Road Revenue Bonds hereby authorized by the General Assembly to be issued in fiscal year 2006-2007 for payment of the cost of the Economic Development Road Projects."

The Senate adds a Part I, Operating Budget, language provision as follows:

"Economic Development Road Bond Debt Service: Included in the above Road Fund appropriation is \$34,454,000 in fiscal year 2006-2007 and \$68,908,000 in fiscal year 2007-2008 for Economic Development Road lease-rental payments to the Turnpike Authority of Kentucky relating to projects financed by \$740,000,000 in Economic Development Road Revenue Bonds hereby authorized by the General Assembly to be issued in fiscal year 2006-2007 for payment of the cost of the Economic Development Road Projects."

CONFERENCE REPORT

The Conference concurs with the Branch with the following changes:

The Conference deletes a Part I, Operating Budget, language provision as follows:

**Fiscal Biennium 2006-2008
Budget Modification Report**

04/08/06 10:15 AM

Debt Service

"Economic Development Road Lease-Rental Payments: Included in the above Road Fund appropriation is \$149,943,500 in fiscal year 2006-2007 and \$152,208,500 in fiscal year 2007-2008 for Economic Development Road lease-rental payments relating to projects financed by Economic Development Road Revenue Bonds previously authorized by the General Assembly and issued by the Kentucky Turnpike Authority."

The Conference adds a Part I, Operating Budget, language provision as follows:

"Economic Development Road Lease-Rental Payments: Included in the above Road Fund appropriation is \$146,119,100 in fiscal year 2006-2007 and \$148,381,200 in fiscal year 2007-2008 for Economic Development Road lease-rental payments relating to projects financed by Economic Development Road Revenue Bonds previously authorized by the General Assembly and issued by the Kentucky Turnpike Authority."

The Conference deletes a Part I, Operating Budget, language provision as follows:

"Economic Development Road Bond Debt Service: Included in the above Road Fund appropriation is \$6,984,000 in fiscal year 2007-2008 for Economic Development Road lease-rental payments to the Turnpike Authority of Kentucky relating to projects financed by \$75,000,000 in Economic Development Road Revenue Bonds hereby authorized by the General Assembly to be issued in fiscal year 2006-2007 for payment of the cost of the Economic Development Road Projects."

The Conference adds Part I, Operating Budget, language provisions as follows:

"Economic Development Road Bond Debt Service: Included in the above Road Fund appropriation is \$16,296,000 in fiscal year 2006-2007 and \$32,592,000 in fiscal year 2007-2008 for Economic Development Road lease-rental payments to the Turnpike Authority of Kentucky relating to projects financed by \$350,000,000 in Economic Development Road Revenue Bonds hereby authorized by the General Assembly to be issued in fiscal year 2006-2007 for payment of the cost of the Economic Development Road Projects."

"Toll Road Termination: The tolls on the Audubon Parkway and the Natcher Parkway shall be terminated during the first year of the biennium when the lease-rental payments on the toll roads are fully paid."

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Highways

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	227,378,400	227,378,400	227,378,400	361,842,500	361,842,500	361,842,500	72,686,700	72,686,700	72,686,700
Federal Funds	814,821,700	814,821,700	814,821,700	652,147,700	652,147,700	654,147,700	675,013,800	675,013,800	675,013,800
Road Fund	654,846,600	654,846,600	654,846,600	667,781,400	676,466,300	667,409,400	680,861,200	662,862,100	670,193,200
Highway Bond	312,552,500	312,552,500	312,552,500		740,000,000	350,000,000			
Regular Total Funds	2,009,599,200	2,009,599,200	2,009,599,200	1,681,771,600	2,430,456,500	2,033,399,600	1,428,561,700	1,410,562,600	1,417,893,700
Use of Continuing									
TOTAL FUNDS	2,009,599,200	2,009,599,200	2,009,599,200	1,681,771,600	2,430,456,500	2,033,399,600	1,428,561,700	1,410,562,600	1,417,893,700
II. EXPENDITURE CATEGORY									
Personnel Costs	328,173,800	328,173,800	328,173,800	344,124,200	344,124,200	344,124,200	352,961,500	352,961,500	352,961,500
Operating Expenses	152,135,200	152,135,200	152,135,200	174,156,500	174,156,500	176,156,500	175,613,100	175,613,100	175,613,100
Grants, Loans, Benefits	3,539,100	3,539,100	3,539,100	3,539,100	3,539,100	3,539,100	3,539,100	3,539,100	3,539,100
Debt Service	8,130,000	8,130,000	8,130,000	50,125,700	50,125,700	50,125,700	50,089,700	50,089,700	50,089,700
Capital Outlay	990,400	990,400	990,400	4,877,600	4,877,600	4,877,600	5,079,000	5,079,000	5,079,000
Construction	1,516,630,700	1,516,630,700	1,516,630,700	1,104,948,500	1,853,633,400	1,454,576,500	841,279,300	823,280,200	830,611,300
TOTAL EXPENDITURES	2,009,599,200	2,009,599,200	2,009,599,200	1,681,771,600	2,430,456,500	2,033,399,600	1,428,561,700	1,410,562,600	1,417,893,700
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	227,378,400	227,378,400	227,378,400	65,585,900	65,585,900	65,585,900	65,713,700	65,713,700	65,713,700
Federal Funds	784,735,800	784,735,800	784,735,800	593,227,000	593,227,000	595,227,000	596,145,300	596,145,300	596,145,300
Road Fund	654,846,600	654,846,600	654,846,600	637,232,300	642,417,200	633,360,300	647,255,000	625,755,900	633,087,000
Highway Bond	312,552,500	312,552,500	312,552,500						
Regular Total Funds	1,979,513,300	1,979,513,300	1,979,513,300	1,296,045,200	1,301,230,100	1,294,173,200	1,309,114,000	1,287,614,900	1,294,946,000
Use of Continuing									
TOTAL BASE LEVEL	1,979,513,300	1,979,513,300	1,979,513,300	1,296,045,200	1,301,230,100	1,294,173,200	1,309,114,000	1,287,614,900	1,294,946,000
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds				296,256,600	296,256,600	296,256,600	6,973,000	6,973,000	6,973,000
Federal Funds	30,085,900	30,085,900	30,085,900	58,920,700	58,920,700	58,920,700	78,868,500	78,868,500	78,868,500
Road Fund				30,549,100	34,049,100	34,049,100	33,606,200	37,106,200	37,106,200
Highway Bond					740,000,000	350,000,000			
TOTAL ADDITIONAL	30,085,900	30,085,900	30,085,900	385,726,400	1,129,226,400	739,226,400	119,447,700	122,947,700	122,947,700

V. ADDITIONAL BUDGET ITEMS

1 GB Highways - Construction

ABRC35F0002 Provide funds to support increased construction expenditures related to SAFETEA-LU federal funds for the major construction, reconstruction, and rehabilitation of approximately 12,000 miles of interstate, primary, secondary, urban, and Appalachian routes

Federal Funds	30,085,900	30,085,900	30,085,900	57,331,400	57,331,400	57,331,400	77,242,800	77,242,800	77,242,800
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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Highways			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
Project Total			30,085,900	30,085,900	30,085,900	57,331,400	57,331,400	57,331,400	77,242,800	77,242,800	77,242,800
2	GB	Highways - Research									
ABRC35F0001			Provide funds to support increased personnel expenditures related to SAFETEA-LU federal funds for highway research and development studies.								
Federal Funds						858,000	858,000	858,000	858,000	858,000	858,000
Project Total						858,000	858,000	858,000	858,000	858,000	858,000
3	GB	Highways - Planning									
ABRC35F0003			Provide funds to support increased personnel expenditures related to SAFETEA-LU federal funds for the metropolitan planning process.								
Federal Funds						731,300	731,300	731,300	767,700	767,700	767,700
Project Total						731,300	731,300	731,300	767,700	767,700	767,700
4	NEW	Highways - Construction									
ABRC35F0004			Provide for Grant Anticipation Revenue Vehicle (GARVEE) bond resources of \$290 million to support increased highway construction expenditures for federal interstate highway projects.								
Restricted Funds						290,000,000	290,000,000	290,000,000			
Project Total						290,000,000	290,000,000	290,000,000			
5	GB	Highways - Maintenance									
ABRC35F0015			Provide funds to support increased operating expenditures related to the Maintenance - Roadside Safety program.								
Road Fund						10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Project Total						10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
6	GB	Highways - Construction									
ABRC35F0010			Provide funds to support increased operating expenditures related to the Construction - Resurfacing program to resurface and rehabilitate poor pavements statewide.								
Road Fund						3,680,000	3,680,000	3,680,000	3,680,000	3,680,000	3,680,000
Project Total						3,680,000	3,680,000	3,680,000	3,680,000	3,680,000	3,680,000
7	GB	Highways - Maintenance									
ABRC35F0016			Provide funds to support operating expenditures related to the Maintenance - Pavement Management program.								
Road Fund						500,000	4,000,000	4,000,000	500,000	4,000,000	4,000,000
Project Total						500,000	4,000,000	4,000,000	500,000	4,000,000	4,000,000

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L - Transportation Cabinet

Operating Budget

Highways			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
8	GB	Highways - Maintenance									
ABRC35F0013			Provide funds to support increased operating expenditures related to the Maintenance - Medium/Heavy Duty Equipment Operations program for increased inflationary equipment costs of equipment usage to maintain the highway system.								
Road Fund						4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Project Total						4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
9	GB	Highways - Equipment Services									
ABRC35F0008			Provide funds to support increased operating expenditures related to the Equipment Services program for maintaining the current equipment replacement schedule for the medium/heavy duty equipment fleet.								
Restricted Funds						4,051,000	4,051,000	4,051,000	4,379,000	4,379,000	4,379,000
Project Total						4,051,000	4,051,000	4,051,000	4,379,000	4,379,000	4,379,000
10	GB	Highways - Equipment Services									
ABRC35F0007			Provide funds to support increased operating expenditures related to the Equipment Services program for maintaining the current operating level of medium/heavy duty equipment services.								
Restricted Funds						1,500,000	1,500,000	1,500,000	1,700,000	1,700,000	1,700,000
Project Total						1,500,000	1,500,000	1,500,000	1,700,000	1,700,000	1,700,000
11	GB	Highways - Maintenance									
ABRC35F0021			Provide funds to support increased operating expenditures related to the Maintenance - Bridge Contract Repairs program.								
Road Fund						2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Project Total						2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
12	GB	Highways - Maintenance									
ABRC35F0025			Provide funds to support increased operating expenditures related to the Maintenance - Traffic Signals program.								
Road Fund						1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Project Total						1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
13	GB	Highways - Maintenance									
ABRC35F0011			Provide funds to support personnel expenditures related to the Maintenance - Roadway Maintenance program, including 50 personnel positions (50 vacant).								
Road Fund									738,300	738,300	738,300
Project Total									738,300	738,300	738,300

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Operating Budget

Highways

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
14	EXPAN	Highways - Maintenance									
ABRC35F0024			Provide funds to support increased operating expenditures related to the Maintenance - Safety Assistance for Freeway Emergencies (SAFE) Patrol incident management initiative.								
Road Fund						1,200,000	1,200,000	1,200,000	2,400,000	2,400,000	2,400,000
Project Total						1,200,000	1,200,000	1,200,000	2,400,000	2,400,000	2,400,000
15	GB	Highways - Maintenance									
ABRC35F0026			Provide funds to support increased operating expenditures related to the Maintenance - Signal System Operations program.								
Road Fund						1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Project Total						1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
16	GB	Highways - Maintenance									
ABRC35F0018			Provide funds to support increased operating expenditures related to the Maintenance - Striping program.								
Road Fund						1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Project Total						1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
17	GB	Highways - Maintenance									
ABRC35F0012			Provide funds to support increased personnel expenditures related to the Maintenance - Snow and Ice program, including 20 full-time positions (20 Filled).								
Road Fund						303,100	303,100	303,100	303,100	303,100	303,100
Project Total						303,100	303,100	303,100	303,100	303,100	303,100
18	GB	Highways - Maintenance									
ABRC35F0017			Provide funds to support increased operating expenditures related to the Maintenance - Ditching program.								
Road Fund						1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Project Total						1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
19	GB	Highways - Maintenance									
ABRC35F0020			Provide funds to support increased operating expenditures related to the Maintenance - Bridge Materials program.								
Road Fund						600,000	600,000	600,000	600,000	600,000	600,000
Project Total						600,000	600,000	600,000	600,000	600,000	600,000
20	GB	Highways - Maintenance									
ABRC35F0019			Provide funds to support increased operating expenditures related to the Maintenance - Signs program.								
Road Fund						500,000	500,000	500,000	500,000	500,000	500,000
Project Total						500,000	500,000	500,000	500,000	500,000	500,000

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Highways		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
		Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
21	GB	Highways - Maintenance								
ABRC35F0022		Provide funds to support personnel expenditures related to the Maintenance - Traffic Operations program, including 20 personnel positions (20 vacant).								
Road Fund								347,500	347,500	347,500
Project Total								347,500	347,500	347,500
22	GB	Highways - Engineering Administration								
ABRC35F0031		Provide funds to support personnel expenditures related to the Engineering Administration - Right of Way program, including 18 personnel positions (18 vacant).								
Road Fund					49,300	49,300	49,300	52,400	52,400	52,400
Project Total					49,300	49,300	49,300	52,400	52,400	52,400
23	GB	Highways - Highway Operations								
ABRC35F0039		Provide funds to support personnel expenditures related to Highway Operations scholarship personnel, including 32 Other personnel positions (32 vacant).								
Road Fund					310,000	310,000	310,000	310,000	310,000	310,000
Project Total					310,000	310,000	310,000	310,000	310,000	310,000
24	GB	Highways - Engineering Administration								
ABRC35F0027		Provide funds to support personnel expenditures related to the Engineering Administration - Construction program, including 23 personnel positions (23 vacant).								
Road Fund					36,000	36,000	36,000	38,200	38,200	38,200
Project Total					36,000	36,000	36,000	38,200	38,200	38,200
25	GB	Highways - Engineering Administration								
ABRC35F0030		Provide funds to support personnel expenditures related to the Engineering Administration - Environmental Analysis program, including two (2) personnel positions (2 vacant).								
Road Fund					37,800	37,800	37,800	40,100	40,100	40,100
Project Total					37,800	37,800	37,800	40,100	40,100	40,100
26	GB	Highways - Engineering Administration								
ABRC35F0029		Provide funds to support personnel expenditures related to the Engineering Administration - Design program, including 11 personnel positions (11 vacant).								
Road Fund					97,500	97,500	97,500	103,500	103,500	103,500
Project Total					97,500	97,500	97,500	103,500	103,500	103,500

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
27	GB	Highways - Engineering Administration								
ABRC35F0028	Provide funds to support personnel expenditures related to the Engineering Administration - Materials program, including six (6) personnel positions (6 vacant).									
Road Fund					122,300	122,300	122,300	130,000	130,000	130,000
Project Total					122,300	122,300	122,300	130,000	130,000	130,000
28	GB	Highways - Engineering Administration								
ABRC35F0033	Provide funds to support personnel expenditures related to the Engineering Administration - Planning program, including four (4) full-time and one (1) part-time personnel positions (5 vacant).									
Road Fund					45,900	45,900	45,900	48,700	48,700	48,700
Project Total					45,900	45,900	45,900	48,700	48,700	48,700
29	GB	Highways - Engineering Administration								
ABRC35F0032	Provide funds to support personnel expenditures related to the Engineering Administration - Program Management program, including two (2) personnel positions (2 vacant).									
Road Fund					129,900	129,900	129,900	137,700	137,700	137,700
Project Total					129,900	129,900	129,900	137,700	137,700	137,700
30	GB	Highways - Planning								
ABRC35F0036	Provide funds to support personnel expenditures related to the Planning - Modal Programs program, including two (2) personnel positions (2 vacant).									
Road Fund					24,400	24,400	24,400	25,800	25,800	25,800
Project Total					24,400	24,400	24,400	25,800	25,800	25,800
31	GB	Highways - Highway Operations								
ABRC35F0037	Provide funds to support personnel expenditures related to the Highway Operations - District Operations program, including three (3) personnel positions (3 vacant).									
Road Fund								60,600	60,600	60,600
Project Total								60,600	60,600	60,600
32	GB	Highways - Planning								
ABRC35F0034	Provide funds to support personnel expenditures related to the Planning - District Overhead Planning program, including two (2) personnel positions (2 vacant).									
Road Fund					3,400	3,400	3,400	3,600	3,600	3,600
Project Total					3,400	3,400	3,400	3,600	3,600	3,600

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
33	GB	Highways - Highway Operations								
ABRC35F0038		Provide funds to support personnel expenditures related to the Highway Operations - Contract Procurement program, including one (1) personnel position (1 vacant).								
Road Fund								20,200	20,200	20,200
Project Total								20,200	20,200	20,200
34	GB	Highways - Planning								
ABRC35F0035		Provide Road Fund match resources to support increased personnel expenditures related to SAFETEA-LU federal funds for metropolitan planning funds.								
Road Fund					143,300	143,300	143,300	145,500	145,500	145,500
Project Total					143,300	143,300	143,300	145,500	145,500	145,500
35	GB	Highways - Maintenance								
ABRC35F0005		Provide funds to support increased personnel contract expenditures with other states, related to the Maintenance-Intelligent Transportation System (ITS) in the Louisville/Southern Indiana interstate region and Cumberland Gap Tunnel management project.								
Restricted Funds					561,400	561,400	561,400	623,200	623,200	623,200
Project Total					561,400	561,400	561,400	623,200	623,200	623,200
36	GB	Highways - Equipment Services								
ABRC35F0006		Provide funds to support personnel expenditures related to the Equipment Services program, including 10 personnel positions (10 vacant).								
Restricted Funds					144,200	144,200	144,200	270,800	270,800	270,800
Project Total					144,200	144,200	144,200	270,800	270,800	270,800
37	GB	Highways - Maintenance								
ABRC35F0014		Provide funds to support increased operating expenditures related to the Maintenance - Materials program.								
Road Fund					1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Project Total					1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
38	GB	Highways - Maintenance								
ABRC35F0023		Provide funds to support increased operating expenditures related to the Maintenance program equipment operations cost increases.								
Road Fund					290,900	290,900	290,900	354,300	354,300	354,300
Project Total					290,900	290,900	290,900	354,300	354,300	354,300

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Highways			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
39	GB	Highways - Research									
ABRC35F0009	Provide Road Fund match resources to support increased personnel expenditures related to SAFETEA-LU federal funds for highway research and development studies.										
Road Fund					264,500	264,500	264,500	264,500	264,500	264,500	
Project Total					264,500	264,500	264,500	264,500	264,500	264,500	
40	GB	Highways - Highway Operations									
ABRC35F0040	Provide funds to support personnel expenditures increase of approximately \$100 monthly in the Highway Operations - Scholarship Stipend program.										
Road Fund					75,000	75,000	75,000	75,000	75,000	75,000	
Project Total					75,000	75,000	75,000	75,000	75,000	75,000	
41	NEW	Highways - Construction									
ABRC35F0044	Provide Road Fund resources for the Construction Program as a result of the Department of Revenue initiative.										
Road Fund					435,800	435,800	435,800	1,027,200	1,027,200	1,027,200	
Project Total					435,800	435,800	435,800	1,027,200	1,027,200	1,027,200	
42	NEW	Highways - Construction									
ABRC35F0045	Provide funds to support increased bond funded construction expenditures related to Economic Development Road Projects; CONFERENCE: funding level reduced.										
Highway Bond						740,000,000	350,000,000				
Project Total						740,000,000	350,000,000				
TOTAL ADDITIONAL			30,085,900	30,085,900	30,085,900	385,726,400	1,129,226,400	739,226,400	119,447,700	122,947,700	122,947,700

TRANSFERS TO THE GENERAL FUND

Highways										
Federal Funds							9,000,000			
TOTAL							9,000,000			

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BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"Debt Service: Included in the above Federal Funds appropriation is \$15,162,700 in fiscal year 2006-2007 and \$15,126,700 in fiscal year 2007-2008 for debt service on Grant Anticipation Revenue Vehicle (GARVEE) Bonds appropriated for this purpose in 2005 Ky. Acts, ch. 173, Part I, L., 4., (16) (HB 267)."

"New Grant Anticipation Revenue Vehicle (GARVEE) Debt Service: Included in the above Federal Funds appropriation is \$34,963,000 in fiscal year 2006-2007 and \$34,963,000 in fiscal year 2007-2008 for GARVEE Bonds debt service payments relating to projects financed by \$290,000,000 in GARVEE Bonds hereby authorized by the General Assembly to be issued in fiscal year 2006-2007 for payment of the GARVEE Bond road projects."

"State Supported Construction Programs: Included in the above Road Fund appropriation is \$304,199,300 in fiscal year 2006-2007 and \$307,526,800 in fiscal year 2007-2008 for the State Supported Construction Program."

"State Resurfacing Program: Included in the State Supported Construction Program is \$80,402,200 in fiscal year 2006-2007 and \$87,320,000 in fiscal year 2007-2008 from the Road Fund for the State Resurfacing Program."

"Biennial Highway Construction Program: Included in the State Supported Construction Program is \$186,057,100 in fiscal year 2006-2007 and \$182,466,800 in fiscal year 2007-2008 from the Road Fund for state construction projects in the fiscal biennium 2006-2008 Biennial Highway Construction Program. Included in the above Road Fund appropriation is \$2,500,000 in fiscal year 2006-2007 and \$2,500,000 in fiscal year 2007-2008 to support the Kentucky Pride Fund created in KRS 224.43-505."

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"Highway Construction Contingency Account: Included in the State Supported Construction Program is \$37,740,000 in fiscal year 2006-2007 and \$37,740,000 in fiscal year 2007-2008 for the Highway Construction Contingency Account. Included in the above Road Fund appropriation is \$2,500,000 in fiscal year 2006-2007 and \$2,500,000 in fiscal year 2007-2008 to support the Kentucky Pride Fund created in KRS 224.43-505."

"2006-2008 Biennial Highway Construction Plan: Projects in the enacted 2004-2006 Biennial Highway Construction Plan are authorized to continue their current authorization into the 2006-2008 fiscal biennium."

"Kentucky Transportation Center: Notwithstanding KRS 177.320(4), included in the above Road Fund appropriation is \$290,000 in fiscal year 2006-2007 and \$290,000 in fiscal year 2007-2008 for the Kentucky Transportation Center."

"New Highway Equipment Purchases: Notwithstanding KRS 48.710(3), Restricted Funds are appropriated in the amounts of \$1,500,000 in fiscal year 2006-2007 and \$1,500,000 in fiscal year 2007-2008 from the sale of surplus equipment to purchase new highway equipment."

"State Match Provisions: The Transportation Cabinet is authorized to utilize state construction moneys or Toll Credits to match federal highway moneys."

"Excess Debt Service/Lease-Rental Appropriations: Any Road Fund appropriations that are not needed to pay lease-rental payments to the Kentucky Turnpike Authority or debt service on the Transportation Cabinet office building shall be credited to the State Construction Account."

"Federal Aid Highway Funds: If additional federal highway moneys are made available to Kentucky by the United States Congress, the funds shall be used according to the following priority: (a) Any demonstration-specific or project-specific money shall be used on the project identified; and (b) All other funds shall be used to ensure that projects in the fiscal biennium 2006-2008 Biennial Highway Construction Plan are funded. If additional federal moneys remain after these priorities are met, the Transportation Cabinet may select projects from the Four-Year Preconstruction Program."

"Demonstration Projects: The Transportation Cabinet is authorized to select up to five design/build demonstration road related projects. Notwithstanding any conflicting provisions of KRS Chapters 45A, 176, and 177, for procurement purposes, the

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Transportation Cabinet shall utilize a qualifications-based bidding process within the context of the provisions of KRS Chapter 176. The Secretary of the Transportation Cabinet shall determine the nature and scope of each design/build project."

"Road Fund Cash Management: The Secretary of the Transportation Cabinet is authorized to continue the Cash Management Plan to address the policy of the General Assembly to expeditiously initiate and complete projects in the fiscal biennium 2006-2008 Biennial Highway Construction Plan. Notwithstanding KRS Chapter 45, specifically including KRS 45.242 and 45.244, the Secretary may concurrently advance projects in the Biennial Highway Construction Plan by employing management techniques that maximize the Cabinet's ability to contract for and effectively administer the project work. Under the approved Cash Management Plan, the Secretary is directed to continuously ensure that the unspent project and Road Fund balances available to the Transportation Cabinet are sufficient to meet expenditures consistent with appropriations provided."

"Biennial Highway Construction Program: In the event that federally funded projects contained in the enacted fiscal biennium 2006-2008 Biennial Highway Construction Program are delayed due to unforeseen circumstances, or if additional Federal Funds are received in excess of the amounts contemplated in this Act, the Transportation Cabinet may advance projects from the Highway Preconstruction Program Plan only to the extent required to ensure that the Commonwealth makes full use of all available Federal Funds."

"Programmatic Adjustments: The Secretary of the Transportation Cabinet is authorized to adjust the specific sums comprising the Highways appropriation programs enumerated above for the purposes of enhancing public safety, maximizing available Federal Funds, supporting economic development, and accelerating state construction projects."

"Grant Anticipation Revenue Vehicle (GARVEE) Bonds: Included in the above Restricted Funds appropriation is \$290,000,000 in fiscal year 2006-2007 for GARVEE Bond Funds."

"Carry Forward of Appropriation Balances: Notwithstanding KRS 45.229, unexpended Road Fund, Federal Funds, and Restricted Funds appropriations in the Highways budget unit for the Construction program, the Maintenance program, and the Research program in fiscal year 2005-2006 and fiscal year 2006-2007 shall not lapse and shall carry forward."

"Road Fund Support for Aviation Economic Development Projects: The Secretary of the Transportation Cabinet shall have the authority to expend Road Fund appropriations from the Highways budget unit to support the development, construction,

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reconstruction, maintenance, and repair of airport runways, aprons, and taxiways at public airports and public use airports, subject to Part XIII of this Act."

The State/Executive Branch Budget Bill, Part I, Operating Budget, Judgments appropriation unit includes language provisions that direct:

"Payment of Judgments: Road Fund resources required to pay judgments shall be transferred from the State Construction Account at the time when actual payments must be disbursed from the State Treasury."

"Carry Forward of Road Fund Appropriation Balance: Notwithstanding KRS 45.229, any funds not expended by June 30, 2007, shall not lapse and shall carry forward."

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House deletes a Part I, Operating Budget, language provision as follows:

"State Supported Construction Programs: Included in the above Road Fund appropriation is \$304,199,300 in fiscal year 2006-2007 and \$307,526,800 in fiscal year 2007-2008 for the State Supported Construction Program."

The House adds a Part I, Operating Budget, language provision as follows:

"State Supported Construction Programs: Included in the above Road Fund appropriation is \$306,959,500 in fiscal year 2006-2007 and \$310,881,300 in fiscal year 2007-2008 for the State Supported Construction Program."

The House deletes a Part I, Operating Budget, language provision as follows:

"Biennial Highway Construction Program: Included in the State Supported Construction Program is \$186,057,100 in fiscal year 2006-2007 and \$182,466,800 in fiscal year 2007-2008 from the Road Fund for state construction projects in the fiscal biennium 2006-2008 Biennial Highway Construction Program. Included in the above Road Fund appropriation is \$2,500,000 in fiscal year 2006-2007 and \$2,500,000 in fiscal year 2007-2008 to support the Kentucky Pride Fund created in KRS 224.43-505."

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The House adds a Part I, Operating Budget, language provision as follows:

"Biennial Highway Construction Program: Included in the State Supported Construction Program is \$188,817,300 in fiscal year 2006-2007 and \$185,821,300 in fiscal year 2007-2008 from the Road Fund for state construction projects in the fiscal biennium 2006-2008 Biennial Highway Construction Program. Included in the above Road Fund appropriation is \$2,500,000 in fiscal year 2006-2007 and \$2,500,000 in fiscal year 2007-2008 to support the Kentucky Pride Fund created in KRS 224.43-505."

The House adds Part I, Operating Budget, language provisions as follow:

"Pavement Management: The Secretary of the Transportation Cabinet may implement a Pavement Management Program to promote pavement preventive maintenance and maintain a higher level of pavement quality between resurfacing cycles. The Transportation Cabinet may expend an amount not to exceed \$1,000,000 for this purpose for the 2006-2008 biennium."

"Paving and Rehabilitation: The Kentucky Transportation Cabinet is encouraged to provide grading and paving rehabilitation efforts on I-64 from Grayson to the West Virginia border at the level equal to that accomplished on I-64 in Bath County, Rowan County, and the remainder of Carter County."

"Interlocal Agreement: Any local government may be permitted to enter into a cooperative agreement with the Transportation Cabinet to maintain traffic control devices on state maintained roads within the local government's jurisdiction and shall be reimbursed by the Transportation Cabinet for the actual cost of such maintenance. The agreement may permit local governments to make temporary repairs to state maintained road surfaces within the local government's jurisdiction and shall be reimbursed by the Transportation Cabinet for the actual cost of the temporary repairs."

"Louisville Bridges Project Plan Report: The Secretary of the Transportation Cabinet shall submit to the Legislative Research Commission by October 1, 2006, a long-term planning report for the Louisville Bridges Project. The planning report shall include project strategy, timeline, projected and actual financial data, construction schedule, and the overall financial impact of the Louisville Bridges Project with respect to the federally funded component and the state-funded component of the Six-Year Highway Plan. The Transportation Cabinet shall expend no more than \$130,000,000 on the Louisville Bridges Project through the first year of the biennium."

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"Asphalt Pavement Template: As of the effective date of this Act, the Secretary of the Transportation Cabinet shall require that all federally funded interstate highway construction projects use only asphalt in the pavement template."

"Miscellaneous Road Fund Projects:

- (a) Campbell County Street Reconstruction: Reconstruct Chateau Drive in Dayton, Kentucky, for \$100,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (b) Clark County Resurfacing: Resurface KY 15 from milepost 0 to 4.216 near Crow Ridge Road in Clark County for \$280,000 from Road Fund resources in fiscal year 2006-2007;
- (c) Fayette County Traffic Control Device: Add a left turn signal to both sides of the traffic control signal at the intersection of Russell Cave Road and Asbury Lane in Lexington, Fayette County, Kentucky before November 2006, to be paid from Road Fund resources;
- (d) Fayette County Traffic Control Device: Install a traffic light at Helmsdale and Man-O-War for \$20,000 from Road Fund resources in fiscal year 2006-2007;
- (e) Fayette County Traffic Control Device: Install a traffic light at Todds Road and Autumn Ridge for \$20,000 from Road Fund resources in fiscal year 2006-2007;
- (f) Floyd County Traffic Control Device: Install a traffic control device on KY 80 at Duff Elementary School in Floyd County for \$20,000 from Road Fund resources in fiscal year 2006-2007;
- (g) Franklin County Tunnel Maintenance: Implement a tunnel clearance project adjacent to the Kentucky River for \$500,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (h) Hopkins County Sidewalks: Construct sidewalks on US 41, South Main Street in the City of Madisonville for \$390,000 from the Highway Construction Contingency Account in fiscal year 2007-2008;
- (i) Jefferson County, Louisville Kennedy Bridge: The Transportation Cabinet shall complete the painting of the Kennedy Bridge on Interstate 65 in Louisville, Kentucky within the current biennium;
- (j) Jefferson County Traffic Control Device: Install a traffic control device at the intersection of Rockford Lane and Dover Road in Jefferson County, Shively, Kentucky for \$25,000 from Road Fund resources in fiscal year 2006-2007;
- (k) Jefferson County Sound Barriers: A sound barrier shall be installed on the north side of I-264/Watterson Expressway from the west side of the Newburg Interchange going west 1,500 feet. The cost related to the installation of the sound barrier shall be funded for \$650,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (l) Jessamine County Resurfacing: Resurface KY 1541 from milepost 6.936 near Sulphur Well Road to KY 39 at milepost 9.668 near Logana Road in Jessamine County for \$136,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;

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- (m) Kenton County Traffic Control Device: Install a traffic control device at the intersection of Oak and Adella in the City of Ludlow for \$20,000 from Road Fund resources in fiscal year 2006-2007;
- (n) Madison County Highway Improvements: Funds for improvements to Barnes Mill Road/KY 876, from west of Redwood Drive to Page Hill shall be paid to the Madison County Fiscal Court, which shall coordinate the project;
- (o) Menifee County Resurfacing: Resurface last 0.5 miles of Carrington Green Road at the Bath County line for \$10,000 from Road Fund resources in fiscal year 2006-2007;
- (p) Rockcastle County Highway Lighting: Install highway lighting on US 25 from I-75 to the Country Music Hall of Fame in Renfro Valley for \$350,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (q) Rowan County Street and Parking Improvements: Improve streets and parking in the City of Morehead for \$150,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (r) Russell County Guardrail Installation: Install approximately 500 feet of guardrail on KY 1058 between mile marker 2 and 3 in Russell County, to be paid from Road Fund resources;
- (s) Russell County Bridge Replacement: Replace the bridge on Payne Road in Russell County for \$100,000 from Road Fund resources in fiscal year 2006-2007;
- (t) Simpson County Resurfacing: Resurface Cedar Bluff Road in Simpson County beginning at US 31W to the Warren County line for \$110,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (u) Simpson County Widening and Resurfacing: Widen and resurface Rapids-Hickory Flat Road in Simpson County for \$143,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (v) Simpson County Widening and Resurfacing: Widen and resurface Neely Road in Simpson County for \$137,000 from the Highway Construction Contingency Account in fiscal year 2006-2007; and
- (w) Simpson County Highway Access: Create an access point on the south side of KY 100 at 300 feet east of the intersection with US 31W in Simpson County, to be paid from Road Fund resources."

The House provides increased Road Fund support totaling \$435,800 in fiscal year 2006-2007 and \$1,027,200 in fiscal year 2007-2008 for the Highways appropriation unit. The increased Road Fund revenue is provided from an additional Road Fund revenue collection initiative to be implemented by the Department of Revenue.

The House provides decreased Road Fund support totaling \$5,000,000 in each fiscal year from the State Construction Account to be transferred to the Kentucky State Police for operations.

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SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate deletes Part I, Operating Budget, language provisions as follows:

"Pavement Management: The Secretary of the Transportation Cabinet may implement a Pavement Management Program to promote pavement preventive maintenance and maintain a higher level of pavement quality between resurfacing cycles. The Transportation Cabinet may expend an amount not to exceed \$1,000,000 for this purpose for the 2006-2008 biennium."

"Louisville Bridges Project Plan Report: The Secretary of the Transportation Cabinet shall submit to the Legislative Research Commission by October 1, 2006, a long-term planning report for the Louisville Bridges Project. The planning report shall include project strategy, timeline, projected and actual financial data, construction schedule, and the overall financial impact of the Louisville Bridges Project with respect to the federally funded component and the state-funded component of the Six-Year Highway Plan. The Transportation Cabinet shall expend no more than \$130,000,000 on the Louisville Bridges Project through the first year of the biennium."

"Asphalt Pavement Template: As of the effective date of this Act, the Secretary of the Transportation Cabinet shall require that all federally funded interstate highway construction projects use only asphalt in the pavement template."

"Miscellaneous Road Fund Projects:

(a) Campbell County Street Reconstruction: Reconstruct Chateau Drive in Dayton, Kentucky, for \$100,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;

(b) Clark County Resurfacing: Resurface KY 15 from milepost 0 to 4.216 near Crow Ridge Road in Clark County for \$280,000 from Road Fund resources in fiscal year 2006-2007;

(c) Fayette County Traffic Control Device: Add a left turn signal to both sides of the traffic control signal at the intersection of Russell Cave Road and Asbury Lane in Lexington, Fayette County, Kentucky before November 2006, to be paid from Road Fund resources;

(d) Fayette County Traffic Control Device: Install a traffic light at Helmsdale and Man-O-War for \$20,000 from Road Fund resources in fiscal year 2006-2007;

(e) Fayette County Traffic Control Device: Install a traffic light at Todds Road and Autumn Ridge for \$20,000 from Road Fund resources in fiscal year 2006-2007;

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- (f) Floyd County Traffic Control Device: Install a traffic control device on KY 80 at Duff Elementary School in Floyd County for \$20,000 from Road Fund resources in fiscal year 2006-2007;
- (g) Franklin County Tunnel Maintenance: Implement a tunnel clearance project adjacent to the Kentucky River for \$500,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (h) Hopkins County Sidewalks: Construct sidewalks on US 41, South Main Street in the City of Madisonville for \$390,000 from the Highway Construction Contingency Account in fiscal year 2007-2008;
- (i) Jefferson County, Louisville Kennedy Bridge: The Transportation Cabinet shall complete the painting of the Kennedy Bridge on Interstate 65 in Louisville, Kentucky within the current biennium;
- (j) Jefferson County Traffic Control Device: Install a traffic control device at the intersection of Rockford Lane and Dover Road in Jefferson County, Shively, Kentucky for \$25,000 from Road Fund resources in fiscal year 2006-2007;
- (k) Jefferson County Sound Barriers: A sound barrier shall be installed on the north side of I-264/Watterson Expressway from the west side of the Newburg Interchange going west 1,500 feet. The cost related to the installation of the sound barrier shall be funded for \$650,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (l) Jessamine County Resurfacing: Resurface KY 1541 from milepost 6.936 near Sulphur Well Road to KY 39 at milepost 9.668 near Logana Road in Jessamine County for \$136,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (m) Kenton County Traffic Control Device: Install a traffic control device at the intersection of Oak and Adella in the City of Ludlow for \$20,000 from Road Fund resources in fiscal year 2006-2007;
- (n) Madison County Highway Improvements: Funds for improvements to Barnes Mill Road/KY 876, from west of Redwood Drive to Page Hill shall be paid to the Madison County Fiscal Court, which shall coordinate the project;
- (o) Menifee County Resurfacing: Resurface last 0.5 miles of Carrington Green Road at the Bath County line for \$10,000 from Road Fund resources in fiscal year 2006-2007;
- (p) Rockcastle County Highway Lighting: Install highway lighting on US 25 from I-75 to the Country Music Hall of Fame in Renfro Valley for \$350,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (q) Rowan County Street and Parking Improvements: Improve streets and parking in the City of Morehead for \$150,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (r) Russell County Guardrail Installation: Install approximately 500 feet of guardrail on KY 1058 between mile marker 2 and 3 in Russell County, to be paid from Road Fund resources;
- (s) Russell County Bridge Replacement: Replace the bridge on Payne Road in Russell County for \$100,000 from Road Fund resources in fiscal year 2006-2007;

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- (t) Simpson County Resurfacing: Resurface Cedar Bluff Road in Simpson County beginning at US 31W to the Warren County line for \$110,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (u) Simpson County Widening and Resurfacing: Widen and resurface Rapids-Hickory Flat Road in Simpson County for \$143,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (v) Simpson County Widening and Resurfacing: Widen and resurface Neely Road in Simpson County for \$137,000 from the Highway Construction Contingency Account in fiscal year 2006-2007; and
- (w) Simpson County Highway Access: Create an access point on the south side of KY 100 at 300 feet east of the intersection with US 31W in Simpson County, to be paid from Road Fund resources."

The Senate deletes a Part I, Operating Budget, language provision as follows:

"State Supported Construction Programs: Included in the above Road Fund appropriation is \$306,959,500 in fiscal year 2006-2007 and \$310,881,300 in fiscal year 2007-2008 for the State Supported Construction Program."

The Senate adds a Part I, Operating Budget, language provision as follows:

"State Supported Construction Programs: Included in the above Road Fund appropriation is \$315,644,400 in fiscal year 2006-2007 and \$292,882,200 in fiscal year 2007-2008 for the State Supported Construction Program."

The Senate deletes a Part I, Operating Budget, language provision as follows:

"Biennial Highway Construction Program: Included in the State Supported Construction Program is \$188,817,300 in fiscal year 2006-2007 and \$185,821,300 in fiscal year 2007-2008 from the Road Fund for state construction projects in the fiscal biennium 2006-2008 Biennial Highway Construction Program. Included in the above Road Fund appropriation is \$2,500,000 in fiscal year 2006-2007 and \$2,500,000 in fiscal year 2007-2008 to support the Kentucky Pride Fund created in KRS 224.43-505."

The Senate adds a Part I, Operating Budget, language provision as follows:

"Biennial Highway Construction Program: Included in the State Supported Construction Program is \$197,502,200 in fiscal year 2006-2007 and \$167,822,200 in fiscal year 2007-2008 from the Road Fund for state construction projects in the fiscal biennium 2006-

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2008 Biennial Highway Construction Program. Included in the above Road Fund appropriation is \$2,500,000 in fiscal year 2006-2007 and \$2,500,000 in fiscal year 2007-2008 to support the Kentucky Pride Fund created in KRS 224.43-505."

The Senate deletes a Part I, Operating Budget, language provision as follows:

"Demonstration Projects: The Transportation Cabinet is authorized to select up to five design/build demonstration road related projects. Notwithstanding any conflicting provisions of KRS Chapters 45A, 176, and 177, for procurement purposes, the Transportation Cabinet shall utilize a qualifications-based bidding process within the context of the provisions of KRS Chapter 176. The Secretary of the Transportation Cabinet shall determine the nature and scope of each design/build project."

The Senate adds a Part I, Operating Budget, language provision as follows:

"Demonstration Projects: The Transportation Cabinet is authorized to select up to ten design/build demonstration road related projects per year. Notwithstanding any conflicting provisions of KRS Chapters 45A, 176, and 177, for procurement purposes, the Transportation Cabinet shall utilize a qualifications-based bidding process within the context of the provisions of KRS Chapter 176. The Secretary of the Transportation Cabinet shall determine the nature and scope of each design/build project."

The Senate deletes a Part I, Operating Budget, language provision as follows:

"Road Fund Support for Aviation Economic Development Projects: The Secretary of the Transportation Cabinet shall have the authority to expend Road Fund appropriations from the Highways budget unit to support the development, construction, reconstruction, maintenance, and repair of airport runways, aprons, and taxiways at public airports and public use airports, subject to Part XIII of this Act."

The Senate adds a Part I, Operating Budget, language provision as follows:

"Road Fund Support for Aviation Economic Development Projects: The Secretary of the Transportation Cabinet shall have the authority to expend Road Fund appropriations from the Highways budget unit to support the development, construction, reconstruction, maintenance, and repair of airport runways, aprons, and taxiways at public airports and public use airports, subject to Part XII of this Act."

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The Senate adds Part I, Operating Budget, language provisions as follows:

"Kentucky Pride Fund Program Report: The Environmental and Public Protection Cabinet shall provide to the Interim Joint Committee on Transportation a program and financial status report of all expenditures related to the Kentucky Pride Fund. The status report shall be provided to the Interim Joint Committee on Transportation no later than October 1 of each year."

"Rest Area Closure: Notwithstanding KRS 177.240, the Transportation Cabinet may close the following five rest area sites:

- (a) Hart County - One site located on I-65 southbound at milepost 55.1;
- (b) Hardin County - Two sites located on I-65 northbound and southbound at milepost 81.0;
- (c) Madison County - Two sites located on I-75 northbound and southbound at milepost 82.3."

The Senate provides increased Road Fund support totaling \$15,000,000 in fiscal year 2007-2008 for the Highways appropriation unit. The increased Road Fund revenue is provided from an additional Road Fund revenue initiative.

The Senate decreases Road Fund support totaling \$10,230,900 in each fiscal year to the Kentucky State Police operations.

CONFERENCE REPORT

The Conference concurs with the Branch with the following changes:

The Conference deletes a Part I, Operating Budget, language provision as follows:

"State Supported Construction Programs: Included in the above Road Fund appropriation is \$304,199,300 in fiscal year 2006-2007 and \$307,526,800 in fiscal year 2007-2008 for the State Supported Construction Program."

The Conference adds a Part I, Operating Budget, language provision as follows:

"State Supported Construction Programs: Included in the above Road Fund appropriation is \$306,587,500 in fiscal year 2006-2007 and \$300,213,300 in fiscal year 2007-2008 for the State Supported Construction Program."

The Conference deletes a Part I, Operating Budget, language provision as follows:

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"Biennial Highway Construction Program: Included in the State Supported Construction Program is \$186,057,100 in fiscal year 2006-2007 and \$182,466,800 in fiscal year 2007-2008 from the Road Fund for state construction projects in the fiscal biennium 2006-2008 Biennial Highway Construction Program. Included in the above Road Fund appropriation is \$2,500,000 in fiscal year 2006-2007 and \$2,500,000 in fiscal year 2007-2008 to support the Kentucky Pride Fund created in KRS 224.43-505."

The Conference adds a Part I, Operating Budget, language provision as follows:

"Biennial Highway Construction Program: Included in the State Supported Construction Program is \$188,445,300 in fiscal year 2006-2007 and \$175,153,200 in fiscal year 2007-2008 from the Road Fund for state construction projects in the fiscal biennium 2006-2008 Biennial Highway Construction Program. Included in the above Road Fund appropriation is \$2,500,000 in fiscal year 2006-2007 and \$2,500,000 in fiscal year 2007-2008 to support the Kentucky Pride Fund created in KRS 224.43-505."

The Conference deletes a Part I, Operating Budget, language provision as follows:

"Demonstration Projects: The Transportation Cabinet is authorized to select up to five design/build demonstration road related projects. Notwithstanding any conflicting provisions of KRS Chapters 45A, 176, and 177, for procurement purposes, the Transportation Cabinet shall utilize a qualifications-based bidding process within the context of the provisions of KRS Chapter 176. The Secretary of the Transportation Cabinet shall determine the nature and scope of each design/build project."

The Conference adds a Part I, Operating Budget, language provision as follows:

"Demonstration Projects: The Transportation Cabinet is authorized to select up to ten design/build demonstration road related projects. Notwithstanding any conflicting provisions of KRS Chapters 45A, 176, and 177, for procurement purposes, the Transportation Cabinet shall utilize a qualifications-based bidding process within the context of the provisions of KRS Chapter 176. The Secretary of the Transportation Cabinet shall determine the nature and scope of each design/build project."

The Conference adds Part I, Operating Budget, language provisions as follows:

"Kentucky Pride Fund Program Report: The Environmental and Public Protection Cabinet shall provide to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Transportation a program and financial status report

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of all expenditures related to the Kentucky Pride Fund. The status report shall be provided to the Interim Joint Committee on Transportation no later than October 1 of each year."

"Road Fund Support for Aviation: The Cabinet may utilize an amount not to exceed \$10,000,000 of its annual Road Fund appropriations for the Department of Aviation, including but not limited to providing financial aid to governmental units and local air boards for the development, construction, reconstruction, maintenance, and repair of airport runways, aprons, and taxiways at public airports and public use airports as defined in KRS 183.011(20) and (21), as identified in Part I, L.2., Aviation, of this Act."

"Paving and Rehabilitation: The Kentucky Transportation Cabinet is encouraged to provide grading and paving rehabilitation efforts on I-64 from Grayson to the West Virginia border at the level equal to that accomplished on I-64 in Bath County, Rowan County, and the remainder of Carter County."

"Interlocal Agreement: Any local government may be permitted to enter into a cooperative agreement with the Transportation Cabinet to maintain traffic control devices on state maintained roads within the local government's jurisdiction and shall be reimbursed by the Transportation Cabinet for the actual cost of such maintenance. The agreement may permit local governments to make temporary repairs to state maintained road surfaces within the local government's jurisdiction and shall be reimbursed by the Transportation Cabinet for the actual cost of the temporary repairs."

"Rest Area Closure: Notwithstanding KRS 177.240, the Transportation Cabinet may close the following five rest area sites:

- (a) Hart County - One site located on I-65 southbound at milepost 55.1;
- (b) Hardin County - Two sites located on I-65 northbound and southbound at milepost 81.0;
- (c) Madison County - Two sites located on I-75 northbound and southbound at milepost 82.3."

"Pavement Management: The Secretary of the Transportation Cabinet may implement a Pavement Management Program to promote pavement preventive maintenance and maintain a higher level of pavement quality between resurfacing cycles. The Transportation Cabinet may expend an amount not to exceed \$8,000,000 for this purpose for the 2006-2008 biennium."

"Miscellaneous Road Fund Projects: The Transportation Cabinet may undertake the following miscellaneous road projects, using the suggested Road Fund allocations contained therein:

- (a) Campbell County Street Reconstruction: Reconstruct Chateau Drive in Dayton, Kentucky, for \$100,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;

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Highways

- (b) Clark County Resurfacing: Resurface KY 15 from milepost 0 to 4.216 near Crow Ridge Road in Clark County for \$280,000 from Road Fund resources in fiscal year 2006-2007;
- (c) Fayette County Traffic Control Device: Add a left turn signal to both sides of the traffic control signal at the intersection of Russell Cave Road and Asbury Lane in Lexington, Fayette County, Kentucky before November 2006, to be paid from Road Fund resources;
- (d) Fayette County Traffic Control Device: Install a traffic light at Helmsdale and Man-O-War for \$20,000 from Road Fund resources in fiscal year 2006-2007;
- (e) Fayette County Traffic Control Device: Install a traffic light at Todds Road and Autumn Ridge for \$20,000 from Road Fund resources in fiscal year 2006-2007;
- (f) Floyd County Traffic Control Device: Install a traffic control device on KY 80 at Duff Elementary School in Floyd County for \$20,000 from Road Fund resources in fiscal year 2006-2007;
- (g) Franklin County Tunnel Maintenance: Implement a tunnel clearance project adjacent to the Kentucky River for \$500,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (h) Hopkins County Sidewalks: Construct sidewalks on US 41, South Main Street in the City of Madisonville for \$390,000 from the Highway Construction Contingency Account in fiscal year 2007-2008;
- (i) Jefferson County, Louisville Kennedy Bridge: The Transportation Cabinet shall complete the painting of the Kennedy Bridge on Interstate 65 in Louisville, Kentucky within the current biennium;
- (j) Jefferson County Traffic Control Device: Install a traffic control device at the intersection of Rockford Lane and Dover Road in Jefferson County, Shively, Kentucky for \$25,000 from Road Fund resources in fiscal year 2006-2007;
- (k) Jefferson County Sound Barriers: A sound barrier shall be installed on the north side of I-264/Watterson Expressway from the west side of the Newburg Interchange going west 1,500 feet. The cost related to the installation of the sound barrier shall be funded for \$650,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (l) Jefferson County Bridge Preservation: Restore and reconstruct the historic bridge on Old Taylorsville Road over Chenoweth Run Creek, for \$210,000 from the Municipal Bond Pool;
- (m) Jessamine County Resurfacing: Resurface KY 1541 from milepost 6.936 near Sulphur Well Road to KY 39 at milepost 9.668 near Logana Road in Jessamine County for \$136,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (n) Kenton County Traffic Control Device: Install a traffic control device at the intersection of Oak and Adella in the City of Ludlow for \$20,000 from Road Fund resources in fiscal year 2006-2007;
- (o) Menifee County Resurfacing: Resurface last 0.5 miles of Carrington Green Road at the Bath County line for \$10,000 from Road Fund resources in fiscal year 2006-2007;

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- (p) Rowan County Street and Parking Improvements: Improve streets and parking in the City of Morehead for \$150,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (q) Russell County Guardrail Installation: Install approximately 500 feet of guardrail on KY 1058 between mile marker 2 and 3 in Russell County, to be paid from Road Fund resources;
- (r) Russell County Bridge Replacement: Replace the bridge on Payne Road in Russell County for \$100,000 from Road Fund resources in fiscal year 2006-2007;
- (s) Simpson County Resurfacing: Resurface Cedar Bluff Road in Simpson County beginning at US 31W to the Warren County line for \$110,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (t) Simpson County Widening and Resurfacing: Widen and resurface Rapids-Hickory Flat Road in Simpson County for \$143,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (u) Simpson County Widening and Resurfacing: Widen and resurface Neely Road in Simpson County for \$137,000 from the Highway Construction Contingency Account in fiscal year 2006-2007; and
- (v) Simpson County Highway Access: Create an access point on the south side of KY 100 at 300 feet east of the intersection with US 31W in Simpson County, to be paid from Road Fund resources."

"Louisville Bridges Project Plan Report: The Secretary of the Transportation Cabinet shall submit to the Legislative Research Commission by December 1, 2006, a long-term planning report for the Louisville Bridges Project. The planning report shall include project strategy, timeline, projected and actual financial data, construction schedule, total cost and cost to complete, anticipated revenues, revenue sources, and the overall financial impact on state transportation funds of the Louisville Bridges Project with respect to the federally funded component and the state-funded component, over the life of the project. The Transportation Cabinet shall also submit to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Transportation a copy of the Initial Financial Plan at the same time as it files the plan with the Federal Highway Administration, but in no event later than December 31, 2006."

The Conference amends Part V, Funds Transfer, to include a transfer from Highways, Federal Funds of \$9,000,000 in fiscal year 2006-2007 from Seat Belt Law resources.

L - Transportation Cabinet

Operating Budget

Public Transportation

Fiscal Year 2005-2006				Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	5,203,500	5,203,500	5,203,500	8,503,400	5,203,400	7,703,400	8,503,400	5,203,400	5,203,400
Restricted Funds	508,900	508,900	508,900	555,700	555,700	555,700	555,700	555,700	555,700
Federal Funds	55,160,700	55,160,700	55,160,700	40,204,200	40,204,200	40,204,200	40,233,600	40,233,600	40,233,600
Regular Total Funds	60,873,100	60,873,100	60,873,100	49,263,300	45,963,300	48,463,300	49,292,700	45,992,700	45,992,700
Use of Continuing	1,894,300	1,894,300	1,894,300						
TOTAL FUNDS	62,767,400	62,767,400	62,767,400	49,263,300	45,963,300	48,463,300	49,292,700	45,992,700	45,992,700
II. EXPENDITURE CATEGORY									
Personnel Costs	1,686,300	1,686,300	1,686,300	1,570,200	1,570,200	1,570,200	1,589,900	1,589,900	1,589,900
Operating Expenses	179,800	179,800	179,800	176,600	176,600	176,600	176,600	176,600	176,600
Grants, Loans, Benefits	60,901,300	60,901,300	60,901,300	47,516,500	44,216,500	46,716,500	47,526,200	44,226,200	44,226,200
TOTAL EXPENDITURES	62,767,400	62,767,400	62,767,400	49,263,300	45,963,300	48,463,300	49,292,700	45,992,700	45,992,700
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	5,203,500	5,203,500	5,203,500	5,203,400	5,203,400	5,203,400	5,203,400	5,203,400	5,203,400
Restricted Funds	508,900	508,900	508,900	511,600	511,600	511,600	516,100	516,100	516,100
Federal Funds	55,160,700	55,160,700	55,160,700	27,376,700	27,376,700	27,376,700	27,404,900	27,404,900	27,404,900
Regular Total Funds	60,873,100	60,873,100	60,873,100	33,091,700	33,091,700	33,091,700	33,124,400	33,124,400	33,124,400
Use of Continuing	1,894,300	1,894,300	1,894,300						
TOTAL BASE LEVEL	62,767,400	62,767,400	62,767,400	33,091,700	33,091,700	33,091,700	33,124,400	33,124,400	33,124,400
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				3,300,000		2,500,000	3,300,000		
Restricted Funds				44,100	44,100	44,100	39,600	39,600	39,600
Federal Funds				12,827,500	12,827,500	12,827,500	12,828,700	12,828,700	12,828,700
TOTAL ADDITIONAL				16,171,600	12,871,600	15,371,600	16,168,300	12,868,300	12,868,300
V. ADDITIONAL BUDGET ITEMS									
1 GB	Public Transportation								
ABRC35E0004	Provide funds to support increased grant expenditures related to SAFETEA-LU federal funds for statewide transit operations.								
Federal Funds				12,769,100	12,769,100	12,769,100	12,769,100	12,769,100	12,769,100
Project Total				12,769,100	12,769,100	12,769,100	12,769,100	12,769,100	12,769,100

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L - Transportation Cabinet

Operating Budget

Public Transportation

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
2	GB Public Transportation									
ABRC35E0003	Provide General Fund match resources to support increased grant expenditures related to SAFETEA-LU federal funds for statewide transit operations.									
General Fund					3,300,000		2,500,000	3,300,000		
Project Total					3,300,000		2,500,000	3,300,000		
3	GB Public Transportation									
ABRC35E0001	Provide funds to support personnel expenditures related to Public Transportation three (3) personnel positions (3 vacant) positions.									
Federal Funds					58,400	58,400	58,400	59,600	59,600	59,600
Project Total					58,400	58,400	58,400	59,600	59,600	59,600
4	GB Public Transportation - Human Services Delivery									
ABRC35E0005	Provide authorization for a Memorandum of Agreement with the Cabinet for Health and Family Services for one personnel position (1 vacant).									
Restricted Funds					44,100	44,100	44,100	39,600	39,600	39,600
Project Total					44,100	44,100	44,100	39,600	39,600	39,600
TOTAL ADDITIONAL					16,171,600	12,871,600	15,371,600	16,168,300	12,868,300	12,868,300

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Public Transportation

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"Toll Credits: The Transportation Cabinet is authorized to use Toll Credits to match Federal Funds for transit systems capital grants."

"Nonpublic School Transportation: Included in the above General Fund appropriation is \$2,950,000 in fiscal year 2006-2007 and \$2,950,000 in fiscal year 2007-2008 for nonpublic school transportation."

HOUSE REPORT

The House concurs with the Branch with the following change:

The House provides General Fund support totaling \$3,300,000 in each fiscal year for increased Federal Fund match for transit system grants.

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate deletes a Part I, Operating Budget, language provision as follows:

"Toll Credits: The Transportation Cabinet is authorized to use Toll Credits to match Federal Funds for transit systems capital grants."

The Senate adds a Part I, Operating Budget, language provision as follows:

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"Toll Credits: The Transportation Cabinet is authorized to maximize to the extent necessary the use of Toll Credits to match Federal Funds for transit systems capital grants."

The Senate provides decreased General Fund support totaling \$3,300,000 in each fiscal year for Federal Fund match for transit system grants.

CONFERENCE REPORT

The Conference concurs with the Branch with the following changes:

The Conference deletes a Part I, Operating Budget, language provision as follows:

"Toll Credits: The Transportation Cabinet is authorized to use Toll Credits to match Federal Funds for transit systems capital grants."

The Conference adds a Part I, Operating Budget, language provision as follows:

"Toll Credits: The Transportation Cabinet is authorized to maximize to the extent necessary the use of Toll Credits to match Federal Funds for transit systems capital grants."

The Conference adds a Part I, Operating Budget, language provision as follows:

"State Match Provisions: Included in the above General Fund appropriation is \$2,500,000 in fiscal year 2006-2007 to provide additional General Fund match resources to support increased grant expenditures related to federal funds for metropolitan public transit system. Notwithstanding KRS 45.229, this appropriation shall not lapse and shall carry forward."

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Revenue Sharing

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Road Fund	240,939,000	240,939,000	240,939,000	257,792,100	224,534,100	241,886,100	253,198,700	234,154,700	244,276,700
Highway Bond	150,000,000	150,000,000	150,000,000	75,000,000					
Regular Total Funds	390,939,000	390,939,000	390,939,000	332,792,100	224,534,100	241,886,100	253,198,700	234,154,700	244,276,700
Use of Continuing									
TOTAL FUNDS	390,939,000	390,939,000	390,939,000	332,792,100	224,534,100	241,886,100	253,198,700	234,154,700	244,276,700

II. EXPENDITURE CATEGORY

Personnel Costs	2,870,500	2,870,500	2,870,500	2,935,100	2,935,100	2,935,100	2,971,100	2,971,100	2,971,100
Operating Expenses	46,443,900	46,443,900	46,443,900	47,139,100	47,139,100	47,139,100	47,654,600	47,654,600	47,654,600
Grants, Loans, Benefits	129,827,200	129,827,200	129,827,200	138,961,300	105,703,300	123,055,300	133,235,500	114,191,500	124,313,500
Construction	211,797,400	211,797,400	211,797,400	143,756,600	68,756,600	68,756,600	69,337,500	69,337,500	69,337,500
TOTAL EXPENDITURES	390,939,000	390,939,000	390,939,000	332,792,100	224,534,100	241,886,100	253,198,700	234,154,700	244,276,700

III. BASE LEVEL BUDGET BY FUND SOURCE

Road Fund	229,080,600	229,080,600	229,080,600	257,668,000	224,410,000	241,762,000	252,908,400	233,864,400	243,986,400
Highway Bond	150,000,000	150,000,000	150,000,000						
Regular Total Funds	379,080,600	379,080,600	379,080,600	257,668,000	224,410,000	241,762,000	252,908,400	233,864,400	243,986,400
Use of Continuing									
TOTAL BASE LEVEL	379,080,600	379,080,600	379,080,600	257,668,000	224,410,000	241,762,000	252,908,400	233,864,400	243,986,400

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

Road Fund	11,858,400	11,858,400	11,858,400	124,100	124,100	124,100	290,300	290,300	290,300
Highway Bond				75,000,000					
TOTAL ADDITIONAL	11,858,400	11,858,400	11,858,400	75,124,100	124,100	124,100	290,300	290,300	290,300

V. ADDITIONAL BUDGET ITEMS

1 NEW Revenue Sharing - County Road Aid Program

ABRC35C0001 Provide Highway Bond Fund resources for the County Road Aid Program.

Highway Bond 50,000,000

Project Total 50,000,000

2 NEW Revenue Sharing - Municipal Road Aid Program

ABRC35C0002 Provide Highway Bond Fund resources for the Municipal Road Aid Program.

Highway Bond 25,000,000

Project Total 25,000,000

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Revenue Sharing

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
3	GB	Revenue Sharing									
ABRC35C0003			Provide Road Fund resources to reflect an increase in current year Consensus Forecast Group revenue estimates.								
Road Fund			11,858,400	11,858,400	11,858,400						
Project Total			11,858,400	11,858,400	11,858,400						
4	NEW	Revenue Sharing - County Aid Program									
ABRC35C0004			Provide Road Fund resources for the County Road Aid Program as a result of the Department of Revenue initiative.								
Road Fund						47,100	47,100	47,100	110,200	110,200	110,200
Project Total						47,100	47,100	47,100	110,200	110,200	110,200
5	NEW	Revenue Sharing - Rural Secondary Road									
ABRC35C0005			Provide Road Fund resources for the Rural Secondary Road Aid Program as a result of the Department of Revenue initiative.								
Road Fund						57,200	57,200	57,200	133,700	133,700	133,700
Project Total						57,200	57,200	57,200	133,700	133,700	133,700
6	NEW	Revenue Sharing - Municipal Road Aid									
ABRC35C0006			Provide Road Fund resources for the Municipal Road Aid Program as a result of the Department of Revenue initiative.								
Road Fund						19,800	19,800	19,800	46,400	46,400	46,400
Project Total						19,800	19,800	19,800	46,400	46,400	46,400
TOTAL ADDITIONAL			11,858,400	11,858,400	11,858,400	75,124,100	124,100	124,100	290,300	290,300	290,300

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Revenue Sharing

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"County Road Aid Program: (a) Included in the above Road Fund appropriation is \$97,409,500 in fiscal year 2006-2007 and \$93,522,100 in fiscal year 2007-2008 for the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and 179.440. Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$38,000 in fiscal year 2006-2007 and \$38,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

(b) Notwithstanding KRS 177.320(2), the above amount in fiscal year 2007-2008 has been reduced by \$4,656,000 which has been appropriated in the Debt Service budget unit for the support of \$50,000,000 in Highway Bonds.

(c) Included in the above Highway Bonds is \$50,000,000 in fiscal year 2006-2007 for the County Road Aid Program, expressly for bridges and paving and rehabilitation of existing roads. From that amount, \$25,000,000 shall be distributed in accordance with KRS 177.360(1) and \$25,000,000 shall be distributed by application process as determined by the Transportation Cabinet."

"Rural Secondary Program: Included in the above Road Fund appropriation is \$118,169,000 in fiscal year 2006-2007 and \$119,101,400 in fiscal year 2007-2008 for the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340, 177.350, and 177.360. Notwithstanding KRS 177.320(1), the above amounts have been reduced by \$46,000 in fiscal year 2006-2007 and \$46,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

"Municipal Road Aid Program: (a) Included in the above Road Fund appropriation is \$40,986,500 in fiscal year 2006-2007 and \$38,981,900 in fiscal year 2007-2008 for the Municipal Road Aid Program in accordance with KRS 177.365, 177.366, and 177.369. Notwithstanding KRS 177.365(1), the above amounts have been reduced by \$16,000 in fiscal year 2006-2007 and \$16,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

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(b) Notwithstanding KRS 177.365(1), the above amount in fiscal year 2007-2008 has been reduced by \$2,328,000 which has been appropriated in the Debt Service budget unit for the support of \$25,000,000 in Highway Bonds.

(c) Included in the above Highway Bonds is \$25,000,000 in fiscal year 2006-2007 for the Municipal Aid Program, expressly for bridges and paving and rehabilitation of existing roads. From that amount \$12,500,000 shall be distributed in accordance with KRS 177.365, 177.366, and 177.369, and \$12,500,000 shall be distributed by application process as determined by the Transportation Cabinet."

"Energy Recovery Road Fund: Included in the above Road Fund appropriation is \$1,103,000 in fiscal year 2006-2007 and \$1,303,000 in fiscal year 2007-2008 for the Energy Recovery Road Fund in accordance with KRS 177.977, 177.9771, 177.9772, 177.978, 177.979, and 177.981."

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House deletes a Part I, Operating Budget, language provision as follows:

"County Road Aid Program: (a) Included in the above Road Fund appropriation is \$97,409,500 in fiscal year 2006-2007 and \$93,522,100 in fiscal year 2007-2008 for the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and 179.440. Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$38,000 in fiscal year 2006-2007 and \$38,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(b) Notwithstanding KRS 177.320(2), the above amount in fiscal year 2007-2008 has been reduced by \$4,656,000 which has been appropriated in the Debt Service budget unit for the support of \$50,000,000 in Highway Bonds.

(c) Included in the above Highway Bonds is \$50,000,000 in fiscal year 2006-2007 for the County Road Aid Program, expressly for bridges and paving and rehabilitation of existing roads. From that amount, \$25,000,000 shall be distributed in accordance with KRS 177.360(1) and \$25,000,000 shall be distributed by application process as determined by the Transportation Cabinet."

The House adds a Part I, Operating Budget, language provision as follows:

"County Road Aid Program: (a) Included in the above Road Fund appropriation is \$97,456,600 in fiscal year 2006-2007 and \$93,632,300 in fiscal year 2007-2008 for the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and

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179.440. Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$38,000 in fiscal year 2006-2007 and \$38,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(b) Notwithstanding KRS 177.320(2), the above amount in fiscal year 2007-2008 has been reduced by \$4,656,000 which has been appropriated in the Debt Service budget unit for the support of \$50,000,000 in Highway Bonds.

(c) Included in the above Highway Bonds is \$50,000,000 in fiscal year 2006-2007 for the County Road Aid Program, expressly for bridges and paving and rehabilitation of existing roads. From that amount, \$50,000,000 shall be distributed in accordance with KRS 177.360(1)."

The House deletes a Part I, Operating Budget, language provision as follows:

"Rural Secondary Program: Included in the above Road Fund appropriation is \$118,169,000 in fiscal year 2006-2007 and \$119,101,400 in fiscal year 2007-2008 for the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340, 177.350, and 177.360. Notwithstanding KRS 177.320(1), the above amounts have been reduced by \$46,000 in fiscal year 2006-2007 and \$46,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

The House adds a Part I, Operating Budget, language provision as follows:

"Rural Secondary Program: Included in the above Road Fund appropriation is \$118,226,200 in fiscal year 2006-2007 and \$119,235,100 in fiscal year 2007-2008 for the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340, 177.350, and 177.360. Notwithstanding KRS 177.320(1), the above amounts have been reduced by \$46,000 in fiscal year 2006-2007 and \$46,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

The House deletes a Part I, Operating Budget, language provision as follows:

"Municipal Road Aid Program: (a) Included in the above Road Fund appropriation is \$40,986,500 in fiscal year 2006-2007 and \$38,981,900 in fiscal year 2007-2008 for the Municipal Road Aid Program in accordance with KRS 177.365, 177.366, and 177.369. Notwithstanding KRS 177.365(1), the above amounts have been reduced by \$16,000 in fiscal year 2006-2007 and \$16,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

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Revenue Sharing

The House adds a Part I, Operating Budget, language provision as follows:

"Municipal Road Aid Program: (a) Included in the above Road Fund appropriation is \$41,006,300 in fiscal year 2006-2007 and \$39,028,300 in fiscal year 2007-2008 for the Municipal Road Aid Program in accordance with KRS 177.365, 177.366, and 177.369. Notwithstanding KRS 177.365(1), the above amounts have been reduced by \$16,000 in fiscal year 2006-2007 and \$16,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(b) Notwithstanding KRS 177.365(1), the above amount in fiscal year 2007-2008 has been reduced by \$2,328,000 which has been appropriated in the Debt Service budget unit for the support of \$25,000,000 in Highway Bonds.

(c) Included in the above Highway Bonds is \$25,000,000 in fiscal year 2006-2007 for the Municipal Road Aid Program, expressly for bridges and paving and rehabilitation of existing roads. From that amount, \$25,000,000 shall be distributed in accordance with KRS 177.365, 177.366, and 177.369."

The House provides increased Road Fund support totaling \$124,100 in fiscal year 2006-2007 and \$290,300 in fiscal year 2007-2008 for the Revenue Sharing appropriation unit. The increased Road Fund revenue is provided from an additional Road Fund revenue collection initiative to be implemented by the Department of Revenue.

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate deletes a Part I, Operating Budget, language provision as follows:

"County Road Aid Program: (a) Included in the above Road Fund appropriation is \$97,456,600 in fiscal year 2006-2007 and \$93,632,300 in fiscal year 2007-2008 for the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and 179.440. Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$38,000 in fiscal year 2006-2007 and \$38,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(b) Notwithstanding KRS 177.320(2), the above amount in fiscal year 2007-2008 has been reduced by \$4,656,000 which has been appropriated in the Debt Service budget unit for the support of \$50,000,000 in Highway Bonds.

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Revenue Sharing

(c) Included in the above Highway Bonds is \$50,000,000 in fiscal year 2006-2007 for the County Road Aid Program, expressly for bridges and paving and rehabilitation of existing roads. From that amount, \$50,000,000 shall be distributed in accordance with KRS 177.360(1)."

The Senate adds a Part I, Operating Budget, language provision as follows:

"County Road Aid Program: (a) Included in the above Road Fund appropriation is \$84,829,600 in fiscal year 2006-2007 and \$88,406,300 in fiscal year 2007-2008 for the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and 179.440. Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$38,000 in fiscal year 2006-2007 and \$38,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(b) Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$12,627,000 in fiscal year 2006-2007 and \$12,627,000 in fiscal year 2007-2008 and appropriated in the Debt Service budget unit for the support of the \$740,000,000 of Highway Bonds authorized in Part I , L. Transportation, 4. Highways of this Act."

The Senate deletes a Part I, Operating Budget, language provision as follows:

"Rural Secondary Program: Included in the above Road Fund appropriation is \$118,226,200 in fiscal year 2006-2007 and \$119,235,100 in fiscal year 2007-2008 for the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340, 177.350, and 177.360. Notwithstanding KRS 177.320(1), the above amounts have been reduced by \$46,000 in fiscal year 2006-2007 and \$46,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

The Senate adds a Part I, Operating Budget, language provision as follows:

"Rural Secondary Program: (a) Included in the above Road Fund appropriation is \$102,908,200 in fiscal year 2006-2007 and \$107,247,100 in fiscal year 2007-2008 for the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340, 177.350, and 177.360. Notwithstanding KRS 177.320(1), the above amounts have been reduced by \$46,000 in fiscal year 2006-2007 and \$46,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

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(b) Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$15,318,000 in fiscal year 2006-2007 and \$15,318,000 in fiscal year 2007-2008 and appropriated in the Debt Service budget unit for the support of the \$740,000,000 of Highway Bonds authorized in Part I , L. Transportation, 4. Highways of this Act."

The Senate deletes a Part I, Operating Budget, language provision as follows:

"Municipal Road Aid Program: (a) Included in the above Road Fund appropriation is \$41,006,300 in fiscal year 2006-2007 and \$39,028,300 in fiscal year 2007-2008 for the Municipal Road Aid Program in accordance with KRS 177.365, 177.366, and 177.369. Notwithstanding KRS 177.365(1), the above amounts have been reduced by \$16,000 in fiscal year 2006-2007 and \$16,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(b) Notwithstanding KRS 177.365(1), the above amount in fiscal year 2007-2008 has been reduced by \$2,328,000 which has been appropriated in the Debt Service budget unit for the support of \$25,000,000 in Highway Bonds.

(c) Included in the above Highway Bonds is \$25,000,000 in fiscal year 2006-2007 for the Municipal Road Aid Program, expressly for bridges and paving and rehabilitation of existing roads. From that amount, \$25,000,000 shall be distributed in accordance with KRS 177.365, 177.366, and 177.369."

The Senate adds a Part I, Operating Budget, language provision as follows:

"Municipal Road Aid Program: (a) Included in the above Road Fund appropriation is \$35,693,300 in fiscal year 2006-2007 and \$37,198,300 in fiscal year 2007-2008 for the Municipal Road Aid Program in accordance with KRS 177.365, 177.366, and 177.369. Notwithstanding KRS 177.365(1), the above amounts have been reduced by \$16,000 in fiscal year 2006-2007 and \$16,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(b) Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$5,313,000 in fiscal year 2006-2007 and \$5,313,000 in fiscal year 2007-2008 and appropriated in the Debt Service budget unit for the support of the \$740,000,000 of Highway Bonds authorized in Part I , L. Transportation, 4. Highways of this Act."

CONFERENCE REPORT

The Conference concurs with the Branch with the following changes:

The Conference deletes a Part I, Operating Budget, language provision as follows:

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"County Road Aid Program: (a) Included in the above Road Fund appropriation is \$97,409,500 in fiscal year 2006-2007 and \$93,522,100 in fiscal year 2007-2008 for the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and 179.440. Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$38,000 in fiscal year 2006-2007 and \$38,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

(b) Notwithstanding KRS 177.320(2), the above amount in fiscal year 2007-2008 has been reduced by \$4,656,000 which has been appropriated in the Debt Service budget unit for the support of \$50,000,000 in Highway Bonds.

(c) Included in the above Highway Bonds is \$50,000,000 in fiscal year 2006-2007 for the County Road Aid Program, expressly for bridges and paving and rehabilitation of existing roads. From that amount, \$25,000,000 shall be distributed in accordance with KRS 177.360(1) and \$25,000,000 shall be distributed by application process as determined by the Transportation Cabinet."

The Conference adds a Part I, Operating Budget, language provision as follows:

"County Road Aid Program: (a) Included in the above Road Fund appropriation is \$91,417,600 in fiscal year 2006-2007 and \$92,249,300 in fiscal year 2007-2008 for the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and 179.440. Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$38,000 in fiscal year 2006-2007 and \$38,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(b) Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$6,039,000 in fiscal year 2006-2007 and \$8,784,000 in fiscal year 2007-2008 and appropriated in the Debt Service budget unit for the support of the \$350,000,000 of Highway Bonds authorized in Part I , L. Transportation, 4. Highways of this Act."

The Conference deletes a Part I, Operating Budget, language provision as follows:

"Rural Secondary Program: Included in the above Road Fund appropriation is \$118,169,000 in fiscal year 2006-2007 and \$119,101,400 in fiscal year 2007-2008 for the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340, 177.350, and 177.360. Notwithstanding KRS 177.320(1), the above amounts have been reduced by \$46,000 in fiscal year 2006-2007 and \$46,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

The Conference adds a Part I, Operating Budget, language provision as follows:

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"Rural Secondary Program: (a) Included in the above Road Fund appropriation is \$110,900,200 in fiscal year 2006-2007 and \$111,909,100 in fiscal year 2007-2008 for the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340, 177.350, and 177.360. Notwithstanding KRS 177.320(1), the above amounts have been reduced by \$46,000 in fiscal year 2006-2007 and \$46,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(b) Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$7,326,000 in fiscal year 2006-2007 and \$10,656,000 in fiscal year 2007-2008 and appropriated in the Debt Service budget unit for the support of the \$350,000,000 of Highway Bonds authorized in Part I , L. Transportation, 4. Highways of this Act."

The Conference deletes a Part I, Operating Budget, language provision as follows:

"Municipal Road Aid Program: (a) Included in the above Road Fund appropriation is \$40,986,500 in fiscal year 2006-2007 and \$38,981,900 in fiscal year 2007-2008 for the Municipal Road Aid Program in accordance with KRS 177.365, 177.366, and 177.369. Notwithstanding KRS 177.365(1), the above amounts have been reduced by \$16,000 in fiscal year 2006-2007 and \$16,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

(b) Notwithstanding KRS 177.365(1), the above amount in fiscal year 2007-2008 has been reduced by \$2,328,000 which has been appropriated in the Debt Service budget unit for the support of \$25,000,000 in Highway Bonds.

(c) Included in the above Highway Bonds is \$25,000,000 in fiscal year 2006-2007 for the Municipal Aid Program, expressly for bridges and paving and rehabilitation of existing roads. From that amount \$12,500,000 shall be distributed in accordance with KRS 177.365, 177.366, and 177.369, and \$12,500,000 shall be distributed by application process as determined by the Transportation Cabinet."

The Conference adds a Part I, Operating Budget, language provision as follows:

"Municipal Road Aid Program: (a) Included in the above Road Fund appropriation is \$38,465,300 in fiscal year 2006-2007 and \$38,815,300 in fiscal year 2007-2008 for the Municipal Road Aid Program in accordance with KRS 177.365, 177.366, and 177.369. Notwithstanding KRS 177.365(1), the above amounts have been reduced by \$16,000 in fiscal year 2006-2007 and \$16,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

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(b) Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$2,541,000 in fiscal year 2006-2007 and \$3,696,000 in fiscal year 2007-2008 and appropriated in the Debt Service budget unit for the support of the \$350,000,000 of Highway Bonds authorized in Part I , L. Transportation, 4. Highways of this Act."

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CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Vehicle Regulation

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	5,886,100	5,886,100	5,886,100	4,109,900	4,109,900	4,109,900	4,101,900	4,101,900	4,101,900
Federal Funds	1,179,700	1,179,700	1,179,700	285,500	3,285,500	3,285,500	285,500	285,500	285,500
Road Fund	16,280,300	16,280,300	16,280,300	17,396,100	17,396,100	17,396,100	18,269,900	18,269,900	18,269,900
Regular Total Funds	23,346,100	23,346,100	23,346,100	21,791,500	24,791,500	24,791,500	22,657,300	22,657,300	22,657,300
Use of Continuing									
TOTAL FUNDS	23,346,100	23,346,100	23,346,100	21,791,500	24,791,500	24,791,500	22,657,300	22,657,300	22,657,300
II. EXPENDITURE CATEGORY									
Personnel Costs	13,428,700	13,428,700	13,428,700	13,567,600	13,567,600	13,567,600	14,037,200	14,037,200	14,037,200
Operating Expenses	9,917,400	9,917,400	9,917,400	8,223,900	11,223,900	11,223,900	8,620,100	8,620,100	8,620,100
TOTAL EXPENDITURES	23,346,100	23,346,100	23,346,100	21,791,500	24,791,500	24,791,500	22,657,300	22,657,300	22,657,300
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	5,886,100	5,886,100	5,886,100	4,109,900	4,109,900	4,109,900	4,101,900	4,101,900	4,101,900
Federal Funds	1,179,700	1,179,700	1,179,700	285,500	285,500	285,500	285,500	285,500	285,500
Road Fund	15,333,000	15,333,000	15,333,000	15,856,900	15,856,900	15,856,900	16,259,200	16,259,200	16,259,200
Regular Total Funds	22,398,800	22,398,800	22,398,800	20,252,300	20,252,300	20,252,300	20,646,600	20,646,600	20,646,600
Use of Continuing									
TOTAL BASE LEVEL	22,398,800	22,398,800	22,398,800	20,252,300	20,252,300	20,252,300	20,646,600	20,646,600	20,646,600
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Federal Funds					3,000,000	3,000,000			
Road Fund	947,300	947,300	947,300	1,539,200	1,539,200	1,539,200	2,010,700	2,010,700	2,010,700
TOTAL ADDITIONAL	947,300	947,300	947,300	1,539,200	4,539,200	4,539,200	2,010,700	2,010,700	2,010,700
V. ADDITIONAL BUDGET ITEMS									
1 GB	Vehicle Regulation - Motor Carriers								
ABRC35G0003	Provide funds to support Personnel expenditures related to Motor Carriers, including six positions (6 vacant).								
Road Fund				265,000	265,000	265,000	271,200	271,200	271,200
Project Total				265,000	265,000	265,000	271,200	271,200	271,200
2 GB	Vehicle Regulation - Drivers Licensing								
ABRC35G0002	Provide funds to support Personnel expenditures related to Drivers Licensing, including four positions (4 vacant).								
Road Fund				198,100	198,100	198,100	202,600	202,600	202,600
Project Total				198,100	198,100	198,100	202,600	202,600	202,600

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Vehicle Regulation

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
3	GB	Vehicle Regulation - Motor Vehicle Licensing								
ABRC35G0004	Provide funds to support Personnel expenditures related to Motor Vehicle Licensing, including three positions (3 vacant).									
Road Fund					156,700	156,700	156,700	160,400	160,400	160,400
Project Total					156,700	156,700	156,700	160,400	160,400	160,400
4	GB	Vehicle Regulation - Drivers Licensing								
ABRC35G0006	Provide funds to support increased operating expenditures related to the issuance of digitized photo drivers licenses.									
Road Fund		412,200	412,200	412,200	412,200	412,200	412,200	869,300	869,300	869,300
Project Total		412,200	412,200	412,200	412,200	412,200	412,200	869,300	869,300	869,300
5	EXPAN	Vehicle Regulation - Motor Vehicle Licensing								
ABRC35G0005	Provide funds to support increased operating expenditures to update Point of Sales computer equipment in sixty (60) County Clerk offices.									
Road Fund					350,000	350,000	350,000	350,000	350,000	350,000
Project Total					350,000	350,000	350,000	350,000	350,000	350,000
6	GB	Vehicle Regulation - Commissioner								
ABRC35G0001	Provide Road Fund match funds to support increased personnel expenditures related to the federal Commercial Vehicle ITS Infrastructure Component (CVISN) of the ITS Deployment program.									
Road Fund					147,200	147,200	147,200	147,200	147,200	147,200
Project Total					147,200	147,200	147,200	147,200	147,200	147,200
7	EXPAN	Vehicle Regulation - Motor Vehicle Licensing								
ABRC35G0007	Provide funds to support increased operating expenditures related to Salvage or Rebuilt title supplies.									
Road Fund		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Project Total		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
8	GB	Vehicle Regulation								
ABRC35G0010	Provide funds to support increased personnel costs in fiscal year 2005-2006.									
Road Fund		525,100	525,100	525,100						
Project Total		525,100	525,100	525,100						
9	NEW	Vehicle Regulation - Drivers Licensing								
ABRC35G0011	Provide funds to support increased operating expenditures related to the REALID program.									
Federal Funds						3,000,000	3,000,000			
Project Total						3,000,000	3,000,000			

CONFERENCE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Vehicle Regulation

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget	House Budget	Senate Budget	Conference Budget
TOTAL ADDITIONAL	947,300	947,300	947,300	1,539,200	4,539,200	4,539,200	2,010,700	2,010,700	2,010,700

TRANSFERS TO THE GENERAL FUND

Vehicle Regulation

Agency Revenue Fund	194,900	194,900
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TOTAL	194,900	194,900
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Vehicle Regulation

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Motor Vehicle Commission, Restricted Funds of \$194,900 in fiscal year 2006-2007.

HOUSE REPORT

The House concurs with the Branch.

SENATE REPORT

The Senate concurs with the House with the following change:

The Senate provides increased Federal Fund support totaling \$3,000,000 in fiscal year 2006-2007 for the REALID, Driver Licensing, program.

CONFERENCE REPORT

The Conference concurs with the Branch with the following changes:

The Conference amends Part V, Funds Transfer, to not include a transfer from the Motor Vehicle Commission, Restricted Funds of \$194,900 in fiscal year 2006-2007.

The Conference provides increased Federal Fund support totaling \$3,000,000 in fiscal year 2006-2007 for the REALID, Driver Licensing, program.